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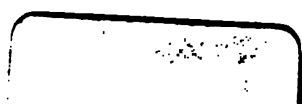
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Private Diary
of
Robert Ballar
on
His Recent Visits to
China



Private Diary of
Robert Dollar
on his Recent
Visits to China.



This One

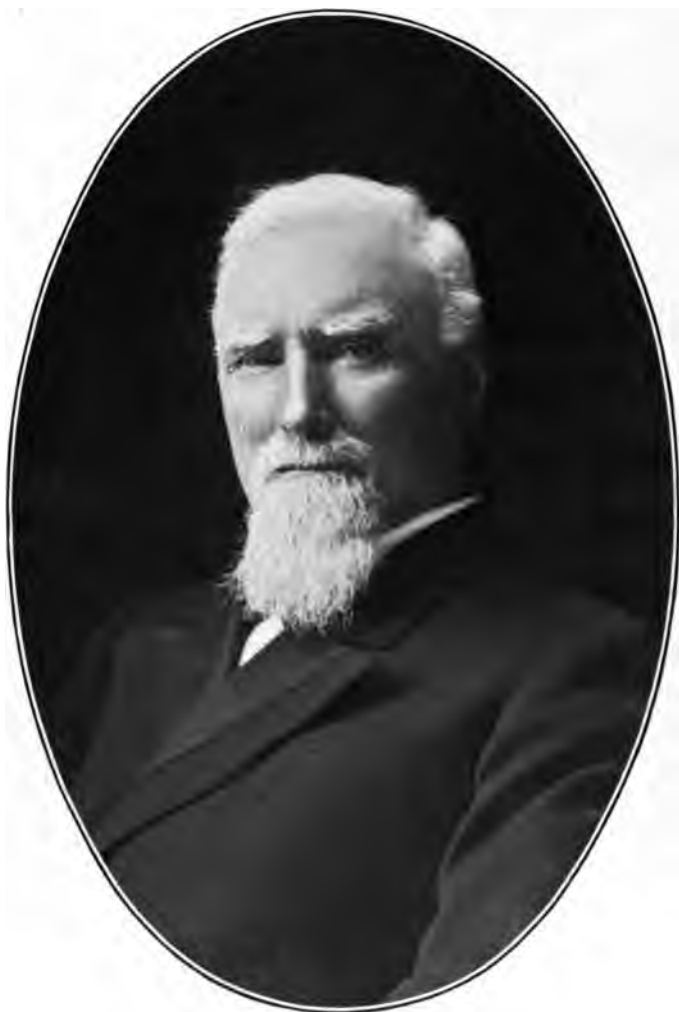


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ROBERT DOLLAR

PREFACE

In presenting this small volume to my friends, it is done with two objects in view:

First—Inasmuch as I have had opportunities such as many of you have never had, to visit other lands and get in close touch with their peoples both in a business and social way, I felt it was a duty I owed to my associates to give them the information I have gathered in my travels; and while I have made a pleasure of the investigation as well as a pleasure in the business accomplished, I send this book to you with the hope that you will at least derive a part of the pleasure in reading it that I did in writing it from day to day.

The second reason for its publication is the hope that it may in a small way help to increase and strengthen the friendly relations and feelings that now exist between the United States and its possessions, the Philippine Islands, China, and Japan; and as a consequence, to increase trade and commerce; and, if possible, to increase the interest in shipping so that our laws may be changed to permit us to own and sail our own ships under our own flag to the end, that, by her Merchant Marine and Foreign Commerce, our country may become one of the Greatest Commercial Nations.



Portrait of an elderly man with a white beard.

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FOREWORD

THE first edition of 800 copies has been exhausted, which has demonstrated that I had more friends than I was aware of as all were given away, and still there is a call for more. I thought a continuation of the events subsequent to the close of the first edition would be of added interest.

Since the death of the Emperor and the Empress Dowager, the history of China was rapidly changing. By an agreement between Yuan Shai Kai and Sun Yat Sen, the former became President. He immediately called the provincial assemblies together in each province and the Federal Parliament in Peking in each meeting place, especially in Peking; they fought like cats and dogs, and could agree on nothing; whereupon Yuan sent them all home, and he became dictator and practically ran the Government himself. This caused a great deal of unrest, especially in the South. Bandits appeared in various parts of the country, taking advantage of the troubled state of the country. The most notable was White Wolf, who terrorized several northern provinces; he gathered a small-sized army, strong enough to defy all law and order; they murdered, stole, looted, and destroyed wherever they went, until, finally, a sufficient force of Government troops overpowered him, and peace and quietness was restored. The outrages on the West River were on about as large a scale; there were pirates operating on the water as White Wolf was operating on land. They took possession of several steamers, large and small, murdering crews and passengers, and setting the steamers on fire after they had removed all the valuables. A lady wanting to see for herself how it was done went out on a small steamer from Canton; the second day out she got up to dress, when a ruffian forced her door, took all her valuables, and threw all her clothing overboard. Woman-like, she screamed, but no one answered. Dressed in a blanket, squaw fashion, she came on deck to find she was the captain, crew and passenger all combined, as all hands had run ashore when

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the pirates showed up; imagine her plight, and all of her clothes floating down the West River.

The next event of importance was a visit that Sun Yat Sen paid to Japan. He had a fine fat place under Yuan, as manager for the building of railroads, and it looked as if he was going to do a great and good work for China. But this visit to Japan changed it all. It would appear he had arranged to get arms and ammunition, and returned to China to start up another revolt, but Yuan had been fully informed of all that was going on in Japan and had plenty of troops stationed near Kiukiang, Shanghai and Nanking, where he had been informed the trouble would start. The undrilled mob was met at all those places by well drilled and fully equipped troops, so the revolution was quelled almost as soon as it started, Sun Yat Sen fleeing at once on a German steamer to Formosa; from thence he went back to Tokyo. During his management of the railway enterprise, a number of lines were projected, but all came to naught when he turned traitor. It all came about by the great antagonism of the Japanese to Yuan, and in turn by his hatred of them.

The European War broke out, and Japan, assisted by the British, besieged Tsingtau, which was ultimately captured and retained by Japan, thereby giving her the entire Province of Shantung. This she will keep unless dislodged by superior powers which at this writing is not at all probable, thus thrusting another thorn into China's side. With Manchuria and Mongolia gone, now Shantung, China is rapidly being dismembered. It was conceded that Japan had a right to take Tsingtau, but not the capitol Tsinaufu and the whole province. However, the deed is done and it will have to stand; but, to show more fully the predicament that China is in, in addition to all this, the following demands were made by Japan on China, which for a time looked as if it would bring on war between the two nations:

The taking over, in due time, of all the rights and privileges possessed by Germany in the Province of Shantung.

China must agree to the building of a railway by Japan from Chofoo or Lungkou to join the Shantung Railway.

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She must also agree that no territory within the Province of Shantung or islands off the coast shall be leased to any third Power.

Certain places in Shantung are to be opened as treaty ports, such places to be jointly decided upon by Japan and China.

Control and administration of the Kirin-Changchum Railway to be taken over by the Japanese Government for 99 years.

The lease of Port Arthur and the term of lease of the South Manchurian and Antung-Mukden Railways to be extended to a period of 99 years.

Japanese subjects to have the right to lease or own land in South Manchuria and Eastern Mongolia for erecting buildings for the purpose of trade and manufacture or for farming.

The Chinese Government to obtain Japan's assent before granting the subject of a third Power the right to build a railway in these regions or to make a loan with a third Power for the purpose of building a railway in these regions. Japan's assent must also be obtained if a loan is contracted for which the security is the local taxes of Eastern Mongolia and South Manchuria.

In these regions Japanese subjects shall be free to reside and travel and to engage in business and manufacture of any kind whatever.

The Chinese Government *must consult Japan first* if China decides to employ advisers or instructors for political, financial and military purposes.

Japanese subjects shall be granted the right to work mines in these regions, the locality of the mining areas to be jointly decided upon by the two Governments.

That the Han Yeh Ping Company should be made a joint concern of Japan and China, and that China, without previous consent of Japan, should not dispose of her interest in the company.

All other mines connected with the Han Yeh Ping Company and *MINES IN THE NEIGHBORHOOD OF SUCH MINES* cannot be worked by persons outside the company without the company's permission, and the consent of the

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company must be first obtained for any mining operation that directly or indirectly affects the interests of the company.

The Chinese Government agrees that no island, port or harbor along the coast shall be ceded to any third Power.

China shall purchase over *fifty per cent. of the munitions of war* she requires from Japan, and Japan shall establish a jointly worked arsenal in China for which *Japanese material* must be purchased and Japanese technical experts employed.

The police in certain places in China shall be jointly administered by Japanese and Chinese, or China shall employ in such places *NUMEROUS JAPANESE* for the purpose of organizing and improving the Chinese police service.

Japanese subjects shall be employed as advisers in political, financial and military affairs.

Japanese subjects shall have the right to propagate Buddhism in China.

Japanese subjects shall have the right of ownership of land in the interior of China for the building of Japanese hospitals, churches and schools.

In the Province of Fukien, Japan shall have the right to build railways, work mines, construct harbor works, and in case foreign capital is required, Japan shall be first consulted.

Japan shall have the right to build a railway connecting Wuchang with Kiukiang and Nanchang, and a line between Nanchang and Chaochoufu and between Wuchang and Hangchow.

Finally China gave in on some and Japan waived others, and happily trouble was averted.

The next important event was Yuan's desire to become Emperor instead of President. This was the great mistake of his life, as it caused such antagonism, not only in the hot-bed of the revolution, Kwantung Province, but also in Central and North China. It became so great and intense that he was forced to give it up; even this did not quiet the people, and a clamor for him to resign from the Presidency got so strong that there appeared to be nothing left for him to do but to accede. He, no doubt, saw the hand-writing on the wall, and this bitter disappointment brought on illness, and finally

20. The evolution of China.
21. Sages of China.
22. Consular service.
23. Possibilities of United States of America increasing commerce and the cause of the decline of our trade and the remedy.

Honolulu—Got ashore at 9 a. m.; autos took us to view Pearl Harbor, then through the city and to the Pali. Visited the Museum, Aquarium, Waikiki beach and back to Young's Hotel for lunch. Governor Frear, ex-Governor Dole, Mr. John Waterhouse, Mr. Wood, secretary of the Chamber of Commerce, and several others received and entertained us in such a splendid way that it was the most enjoyable day many of us ever had. Honolulu is noted for its hospitality, but on this occasion they outdid themselves, and we certainly carried away pleasant memories. We sailed at 5 p. m. and the following morning got down to work again, having committee meetings forenoon and a general meeting of the Commissioners and ladies in the afternoon.

Wednesday, Aug. 31.—This forenoon I addressed a meeting of the ladies on the importance of the mission in which we were engaged, and tried to impress on them that at times seriousness and great tact would be necessary. I said:

To the Ladies and Gentlemen of the Commission—

I have been requested by the executive committee to address you on the part you can and should take on this trip. No doubt many of you came expecting it to be a pleasure excursion and nothing more. While I promise you that this will be the most pleasant trip you ever had and that the memory of it will last as long as you live, still there is a seriousness connected with it that makes the strongest of us pause and think. We are going to a people numbering nearly one-third of the population of the world. The Empire of China is as large as the United States, Alaska, all our island possessions, France, Spain and Italy and still room left. Our self-imposed task is to create a better feeling of friendship between the two nations and incidentally to promote and increase our trade relations. I hope that what I have said of

itself is sufficient to convince you that none of you have ever been fortunate enough to be permitted to engage in a work that interests over one-third of the population of our globe. So that the magnitude of the work before us may not discourage you I would say that a woman, Mrs. Little, in Shanghai, formed a small club called the Anti Foot-Binding Society. It spread to other cities and finally reached the late Empress Dowager, and she was so impressed with their earnestness that she issued an edict forbidding in the future the binding of any girls' feet. Now, when a custom that had existed for ages past can be changed to be such a boon to the higher class ladies of China, and all started by one woman, you can well take courage, and in your efforts to get in close touch with the ladies you will, I am sure, succeed in doing much. The International Institute in Shanghai has been the means of bringing the foreigners and Chinese together and the ladies have a club in which they have induced several Chinese ladies to join.

At the unveiling of a tablet in the institute I saw several Chinese ladies present which is a great innovation from the old established custom of seclusion. I have tried to get some parts of the subject of education assigned to you to investigate and report on, especially, the education of girls, kindergarten, music, etc. The subject of Chinese woman and her position socially and legally, has been assigned to you, and I trust you will make a full investigation and report. You all appreciate the fact that on the education of the masses depends to a great extent the prosperity of a nation; in this China is sadly deficient, but now fully alive to the necessity of universal education. So bear in mind that anything you can do for the uplift of China, your reward will be what the great men and women are all striving to accomplish, namely, to "Leave the world better than you found it."

I have to report the passing of a very short week; in fact, I find time rushing on so that I can't get as much done as I want to this week; one day was given over to very enjoyable sports, in which both old and young passed many pleasant hours; then on Friday we crossed the 180th Meridian, therefore that day was dropped from our calendar. Went to bed on Thursday night and woke up Saturday morning. I called

a meeting of the ladies of the party and suggested that they organize so as to be in a better position to take up any subject brought to them, and also to be better prepared to give us prompt and material assistance. They took kindly to the suggestion and elected Mrs. Dollar president, Mrs. Booth vice-president and Mrs. Moulton secretary. They assigned various subjects to several committees which they appointed, showing that they fully realized the importance of the part they will take. In this connection we will hear from them during the trip and in the final report.

During this week I see that the Commissioners fully realize the magnitude of the work we are undertaking. They know now what they did not realize before they left home, "That they have a man's job on their hands." Every one, without any exception, is reading and studying the various subjects that will come before us. For myself, I have devoted two-thirds of my time answering questions and telling others what I know. Now I feel fully repaid for the time and work I have put in during the past few years in studying China and the Chinese, and while all I don't know about the subject is a hundred times more than what I know, it is a great satisfaction, in a small way, to assist others.

Before leaving home I filled a trunk with books on China (out of my book case) that I thought would be of service to the Commissioners. I went to get a book and found almost the entire lot were out. I brought a lot of National Reviews published in Shanghai. Those give us "China up to date," and the Commissioners found many instructive and interesting articles in them. Anyone wishing to keep in close touch with Chinese affairs, if they read these articles, will be very close to the band wagon. In regards to the personnel of the party, I am pleased beyond measure at the number of able men we have; they differ from any party I have been with, as there is practically no choice except wherein one is better posted on certain subjects than others. President Booth has certainly good material to work with, and I have every prospect of extra good results, although I am not unmindful of the old saying, "A wise man defers boasting until he is taking his armor off." I consider this ship is well kept up in every particular and pleases my rather critical eye, as the officers

of our ships say, not much escapes me. The discipline of the officers and crew cannot be excelled.

Yokohama—We arrived in this city in a rain storm. The Japanese, wishing to show those who had entertained them in America some kindness, invited those from amongst our party and their ladies to visit Tokyo, and provided us a special car on the railroad. Automobiles were awaiting us at the station in Tokyo, and after having luncheon at the Imperial Hotel they drove us around the city, then out to Baron Shibusawa's house, where we had a reception and were hospitably entertained by his son and daughter, as the Baron was in Osaka raising funds for the flood sufferers, and the Baroness was sick and unable to be out of bed. We were then driven to the Nippon Club, where we had an excellent Japanese dinner. Other than the usual toasts there were no more speeches than expressing pleasure at being together. Mr. Clark presented a Portland banner to Mr. Nakano, President of the Tokyo Chamber of Commerce. After dinner they had a theatrical company ready and we wound up the festivities with a good Japanese play. We left Tokyo at 11 p. m. and got on board the steamer after midnight. Our ladies were accompanied by a like number of Japanese ladies. On the whole it was a pleasant break in our journey.

On our trip on the railroad we saw evidences of the recent disastrous floods: high water marks on the houses and trees, crops destroyed and landslides. It is reported that there is a great deal of destitution and suffering among the communities affected and strong efforts are being put forth to get money to aid them. Nine of our Commissioners gave five hundred yen.

At Kobe—All the passengers went ashore to see the sights; many visited Osaka and took in all the points of interest around Kobe. Considerable headway has been made on the new breakwater, and it won't be long until this much-needed improvement will make loading and discharging into barges possible when it is blowing hard. At present it does not take much wind to stop all work in the harbor. I noticed three dredges at work deepening the water close to shore to enable vessels to lay closer in than at present. The present plan of harbor improvement is to build several piers from shore so a

great deal of freight will be handled direct to rail or wagons without the use of lighters. Going through the Inland sea the weather was good and passengers had a good view of the beautiful scenery.

Nagasaki—We arrived in Nagasaki in the early morning and the American Consul sent an invitation for our party to attend a reception at the Consulate at 11 a. m. He gave us a very nice entertainment, and the thanks of the Commissioners and ladies were very justly tendered to him for the very pleasant break in our journey. This town is gradually on the down grade as, were it not for the coaling of mail steamers and the Mitsu Bishi dock yard, there would be absolutely nothing doing, and as there is not a very good agricultural country back of it, the prospects are certainly not encouraging. Our steamer took on 2500 tons of coal from 8 a. m. until 5:30 p. m. and all trimmed in the bunkers. This can't be done in any port outside of Japan or China. In passing Moji I saw a large number of steamers laying there loading coal and bunkering; at that time it looked as if they were rushed with business. The ocean continues smooth, although the weather is sultry and hot; we are having a very pleasant trip.

Shanghai—Arrived in this city September 15th, one day ahead of time. At Woosung a special steamer met us having a deputation on board representing the government, Chamber of Commerce and the Chinese civic authorities. There was a great display of bunting. The deputation came on board and were introduced to the party. With the exception of two I had met them all before. They presented us with badges and visiting cards to be used on our trip. The landing at Shanghai was decorated with flags as well as the street car electric poles. We were unfortunate in the weather as it rained steadily all day, and the only variation was that sometimes it poured.

We had lunch at the hotels, the party being divided between the Astor House and the Palace Hotel, the latter being headquarters, and the one at which I stayed, as it was near our office. At 3 p. m. we attended a reception given by the Chinese merchants of the city, at Chaos gardens, III Range road, the private residence of the owner. It was a fine affair, at which there was a big crowd of Chinese and few foreigners



Members of the Shanghai Chamber of Commerce receiving the Commissioners and Ladies of the Associated Chambers of Commerce from the Pacific Coast

but ourselves. Very rightly the Chinese look on us as their guests and they don't look for or want any outside assistance. It is said by old residents there never had been such elaborate preparations made to receive any one, even when the Emperor visited this city some years ago. This, our first public entertainment, went off to perfection; everything went smooth and satisfactorily and several of the Chinese spoke to me in appreciative terms of the personnel of our party. This was said as a compliment to me.

This morning at nine the Commissioners held a meeting and balance of forenoon I spent in the office. At 3 p. m. we went to the Foo Fong Flour Mill and were shown through the largest flour mill in China, which has a capacity of 1500 barrels of flour a day. We formerly supplied this company with wheat from Tacoma, but the rise in price in America, coupled with the low rate of exchange, has completely shut us out, and we have sold them nothing in three years. They get their supply from the small farmers within a radius of 250 miles and get all they require, but it is much inferior to ours in quality and is brought in very dirty. Nevertheless, they make a very fair quality of flour, especially for the Chinese customers.

They took us on a Chinese house boat up Soo Chow Creek to the mill; had the place beautifully decorated with flags and evergreens, matting spread on the walks and later served refreshments in a hall, where Mr. Song delivered a splendid address in English. During the delivery he was constantly interrupted by applause. This address was a pleasant surprise to many of our members who have not fully awakened to the fact that the Chinese gentleman here is somewhat different from the John Chinaman who does laundry work in America. We had an appointment at the Chinese Young Men's Association to a reception, and did not get there until 6 p. m.

On arrival we found the large building full of people, who had been waiting an hour. Probably eighty per cent of them were Chinese. President T. T. Wong and Mr. S. K. Tsao, secretary, both spoke in excellent English; in fact, without accent. The party were shown through the building and in the gymnasium saw the young men at practice. This association started ten years ago and was the only one in China; now this

one runs a day and night shift with 230 men attending each. A new building, larger than the present, will soon be added to this one, as the land is all secured for it. This will more than double its capacity. This institution is doing a great work and others are being built in various cities of China. It looks as if it won't be long till the Chinese Y. M. C. A. will be found in every large city. The \$40,000 required each year to carry on the work all comes from Chinese merchants and students.

At 9 p. m. a reception was given us by the American residents at the large reception room in the Palace Hotel. The room was filled and the dining-room was cleared for dancing. The day was one of pleasant events which we enjoyed very much. The personnel of our Commissioners received very favorable comment both by Chinese and foreigners.

This morning at 9 a. m. we started in automobiles up the river bank; first we visited Nicholas Tsu's iron foundry and machine shops and his adjoining cotton mill, which latter had run out of raw cotton and was not in operation. The cotton seed oil mill was in operation pressing out oil and making cotton seed cake for cattle food. The extent of his operations shows how progressive a man he is; when his works are all running full he employs several thousand men. We next visited the Chinese waterworks, pumping water out of the muddy river and purifying it for the use of the native city and vicinity; the grounds are nicely laid out with trees, shrubs and flowering plants. We then visited the Arsenal, where they make anything from the most modern 10-inch gun to the smallest arms. There is not much doing at present about the dock and naval port, said to be on account of scarcity of funds.

We then visited the large paper mill of Lung Chang. They were using rags and pulp, the latter being imported from Norway and Australia. There can be no doubt that if our pulp manufacturers, and especially those from British Columbia, were to try, they could furnish all the pulp required in China, as the rate of freight from Norway must be double that from America, and that from Australia would be fifty per cent more, and it is a certainty that pulp can be produced as cheap in America as in either Australia or Norway. This mill appears to be up to date in every particular.



THE S. S. "ROBERT DOLLAR"

This Vessel was launched at Glasgow, November, 1911; is owned by the Dollar S. S. Co., and was especially built for the Chinese Trade. Length, 424 feet, Beam, 54 feet, Depth, 30 feet. Dead weight Capacity, 9,000 Tons

We next visited a large woolen mill, three years old, fitted with modern machinery from Belgium. The most of the wool was Chinese grown, but they had a quantity of Australian and some South African which was used for mixing. They were running on coarse blankets, coarse cloth and a very fine kind of gray cloth of excellent quality, all intended for the domestic trade. In this mill and the paper mill there was about 600 hands employed. It was 2 o'clock before we returned home for lunch and we had a reception engagement at the Shanghai Taotai's at 4 o'clock. Here we were met by all the great people of the city. The reception hall was beautifully decorated with a profusion of American and Chinese flags. This hall is in the front of the house, easily holding 100 people, and has a dome roof about thirty feet high covered with stained glass; there were quantities of evergreens, flowers, palms, etc.; cake and wine was served (no speeches). It was quite informal and Americans as well as Chinese seemed to enjoy it. Quite a number of Chinese gentlemen wore peacock feathers in their caps denoting their high rank. We got back to the hotel in time to dress for the grand banquet at the hall in the Chang Suho gardens. We went to it on a street car specially decorated with flags and brilliantly lighted; on front and rear were electric designs of American flags. The street car company decorated their line for a distance of over three miles. On arrival at the grounds we found it brilliantly lighted, some thousands of Chinese lanterns having been specially made with American and Chinese flags on each, and a large electric design with the words "Welcome" over the door. The hall seated over 200 persons and at the end was a stage where a theatrical troupe entertained us during the meal. The trimmings and fitting up of the stage was the most gorgeous that any of us had ever seen. Any attempt I might make to describe it or the costumes of the actors would fall so far short of conveying an adequate idea of what it was, that I would only give a wrong impression. So just think of something extravagantly grand and you may come near it. The meal was semi-Chinese, commencing with bird's nest soup, then shark's fins, etc., etc., all well served.

Our Consul-General, Mr. Wilder, had the seat of honor, Ambassador Wu Ting Fang sat across the table from him, which in Chinese etiquette is next. He is the most distinguished Chinese diplomat known to foreigners and is certainly a very talented man. He has been called to Peking again. He, along with Yuen Shai Kai and Tong Shoe Yi were all retired because they were too strong for the weak head over them. Nevertheless, they will all take their places where they belong, which is right up at the head of the procession.

The speakers of the evening were Consul-General Wilder on the American side and Wu Ting Fang on the Chinese, although there were others; but those two gentlemen each did justice to his subject. They as well as others who spoke used exceedingly good judgment in talking to the very mixed audience they were addressing.

There was a great display of fireworks, and take it all in all, it was the greatest display of Oriental splendor I had ever seen. Chinese merchants tell me no such preparations had ever been made to give a grand reception since the late Emperor visited Shanghai many years ago.

Sunday was to have been a day of rest, but they worked in a reception at the International Institute. At 3 p. m. I was sick in bed having overdone, so did not attend, but it came off all right. Taotai Y. C. Tong and Wu Ting Fang delivered addresses; some of our party replied. Slight showers interrupted the proceedings somewhat. At 8 p. m. the Press Association gave our Commissioners a banquet, at which 100 attended. Mr. Tong, who presided, and Wu Ting Fang and Mr. Booth, president of our association, were reported as having delivered good addresses.

The party visited a cotton mill having six thousand employees, and a silk filature and an exhibit of finished silks which was said to be very fine. This took up the entire forenoon and after lunch at the hotel the party started for Hanchow in house boats. Unfortunately I was not well enough to go. A boat was provided for each four people with a boy servant. The Palace Hotel provided the help and catered. They left at 1 p. m. and would arrive at the Hanchow landing at 10 a. m. next day, and would take the train, five

miles to the city, where they would be entertained at luncheon. An account of this trip I will get from one of the party, and as I have been over the ground before I can easily understand the description. While the weather has been threatening, it has not rained. When at the dry dock I noticed it was a very high tide, so I expect the famous bore will be worth seeing. To-day I got an invitation from the Provincial Assembly of Quantung provinces inviting our Commissioners to visit them, seeing that many of them come from the country districts, where anti-foreign feeling exists, this invitation is significant, and to give it an official tone and governmental authority, it was sent through the Shanghai Taotai.

Hanchow—This trip was taken in house boats furnished by the Shanghai Chamber of Commerce, with three tugs, towing twenty-one in all. Servants and food were also furnished. It was a novelty to all of our members and all enjoyed seeing the world-famous grand canal and all got to appreciate the age of China when they realized that for 2500 years billions of people have been traveling up and down this waterway. The bridges built at that time are perfection. I have never seen one settled, or a stone displaced in the arch.

On the tow path on either side of the canal all were interested in the side bridges of a single stone across the creeks running into the canal, many of them forty to fifty feet long, two feet thick, and four to six feet wide. At Kashing the party visited this old city and took the train to Hanchow, fifty miles distant. The canal at this point is built up solid on each side, a distance of half a mile, the walls of the houses rising out of the water, giving it the appearance of a street. At Hanchow we were immediately taken to an official reception and luncheon, and in the afternoon saw the sights of a Chinese city which only a few of our party had ever witnessed before. A grand banquet was given by the Governor of Chekiang Province at his official yamen during the evening.

It was a grand, magnificent affair in all the Oriental splendor and most significant, as foreigners have been personae non grata, and this is the first time they ever had been officially received in this province. So the world moves and our party is certainly breaking the ice in New China.

Speeches were made and the Governor asked us to suggest ways and means that they could become a manufacturing as well as an agricultural community.

Next day was more than filled up. Commenced before 9 o'clock in the morning, and finished at 11:30 in the evening, visited temples, had lunch at a mandarin's yamen, had boat excursion on West Lake, the most picturesque water in China, and wound up at 3 p. m. at the temple on the bank of the river to see the "bore," famous all over the world. One occurs in the spring and one in the fall, this being the small one, however. It was a great sight to see the great wall of water rolling up the river from the ocean carrying everything before it. Then we hurried back to Hanchow to get the special train that was to take us back to Shanghai. The cars were all decorated, and the railway company provided dinner for us; in fact, it was impossible to have devised ways of doing more. Every section man on the road was provided with a Chinese lantern with American and Chinese flags on them; every station, whether we were to stop at it or not, was decorated with bunting and evergreens. Crowds of people were at every station, so that standing room was at a premium. And at the principal cities on the way official receptions were held, presents given each of us at every function, so that the trip from Hanchow to Shanghai (200 miles) was one triumphant grand march, and the most remarkable and unaccountable part of it was that this railroad and country has always been considered anti-foreign. We arrived at the hotel after midnight, completely tired out. At Shanghai various industrial plants were visited by the men, and the ladies went on their own account and visited the various missions, hospitals, etc., and they found a flourishing Young Women's Christian Association of 160 members. Think of it, the upper class of Chinese ladies who were completely out of speaking distance with our ladies, to have started and are maintaining a real, live Y. W. C. A. This brings the thought, that it is only a few months since Mrs. Dollar and I were here before and we see changes on every hand. The giant is awakening.

ON THE WAY TO NANKING

I use the word giant advisedly, as I am writing of one-third of the human race. So that I look forward to great benefit from the investigations of our women. The last evening we were in Shanghai they gave us a Chinese theater party. The play was on the effects of opium. This subject was chosen, as the Americans were the first to assist the Chinese in its suppression.

We left Shanghai early in the morning and took train to Nanking. The station was most elaborately decorated. Thousands of firecrackers were set off to wish us good luck. A band played our national airs and the leading men of the city were on the platform to bid us goodbye and godspeed. The train was a special one of private cars. On the window of each was a card with the name of the American city the representatives of which would occupy it. Each had a buffet and served us with meals or refreshments along the way. It was unique. I have never seen anything quite so elaborate before. My old friend, Mr. Chung, the managing director of the road, accompanied us. He was educated in America. As we proceeded I noticed every way station that we did not stop at was decorated with bunting and all the railway section hands were drawn up in line on the station platforms. We did not stop until we reached Soochow, fifty miles distant.

At Soochow a great crowd of people met us, nearly the entire Chamber of Commerce and many officials, mandarins, etc. The station was elaborately decorated in evergreens and bunting. Brass bands and carriages were in waiting and conveyed us to the Governor's yamen, a great, big rambling building. It took us ten minutes to walk through the intricate passages and rooms until we got to the audience hall, where tables, set for one hundred and fifty, were beautifully decorated with cut flowers. The hall was adorned with many works of art, artificial flowers, evergreens and flags. After the elaborate lunch was disposed of the Governor delivered an address of welcome, and I was requested to reply. I said:

"Those who know your customs, know that your hospitality is unbounded, but in the manner you have received us at the different places in China I must say that you have superceded

yourselves. The primary object we had in coming 7000 miles to visit your country was to increase the friendly relations that exist between our country and yours. From the enthusiastic manner your people have received us, from the highest to the lowest, I am firmly convinced that this result will be accomplished in a manner exceeding our fondest hopes. But we have another object in visiting you and by some of you it may be considered of primary instead of secondary importance. I mean trade and commerce, and in offering any suggestions to you on this subject I can't help feeling like a small boy coming to his great-grandfather and giving him advice, as I am a citizen of the youngest of the nations and I am addressing citizens of the oldest nation on earth, and I also fully realize the fact that your nation represents one-third of the human race. You have a very rich agricultural country, perfectly level land and as productive as the best of any country, but you lack manufactures. No nation has ever become truly great measured by our modern standards, that has not engaged extensively in manufacturing. Ships and a merchant marine is also a necessary part in the commercial development of any great country, all of which you are lacking in, and at a meeting of this kind with limited time it is impossible to accomplish much. But I would suggest to your merchants and bankers to meet us at some future time, when we could discuss fully how best we can increase your trade. We are not here for pleasure; we are here to develop and increase trade. What we want and must have is practical results. If we do not accomplish this our visit here will be a failure. So we want to get in close touch with your merchants, so that the much-desired result may be accomplished. Human nature is much the same in every nation and many men and women in your country and there are some in this Commission whose sole desire is when they die they may be able to say they left the world better than they found it."

We got back to the train and left at 2 p. m. Our next stop for half an hour was at Wuseh, the great silk center. At this place the crowd was greater than ever; it extended into the fields. We made a presentation and gave and received presents, each made an address before we departed on our way rejoicing.

We next stopped at Changsha, where the Chamber of Commerce presented us with an address of welcome and we presented them with one of our addresses. There was the usual crowd. This station was even better decorated than any of the previous ones, due to an artistic effect, and it must have cost considerable money. They presented each of us with packages of tea of their own growing, as this is considerable of a tea-producing district and they are particularly proud of the fine quality they produce. It was nearly dark when we got to Chinkiang. There was no reception here, as we are to visit it formally next week and will embark on the steamer here to go up the river. It was quite dark when we got to Shiaquan, where our train was switched onto the Suburban Nanking Railroad; so we were taken to the exposition grounds six miles, without changing cars. We were quartered at the new Hotel Astor, which is in sight of the exhibition grounds. The exhibition buildings, grounds, etc., are a great credit to the Chinese, being their first attempt at expositions. I did not go through it sufficiently in detail to write much on it. I was pleased to see the Americans made quite a creditable showing. The Robert Dollar Co. exhibit was very fair, but our lumber goods don't make a good display. Our steamer model helped it out.

Nanking. September 24—In the early evening the ladies of the party were invited to a tea and reception at Lady Chang's, wife of the Viceroy. This is the first time such a function was ever given to foreigners, and the hostess was rather nervous, as outside of seeing white women at a respectable distance she had never come in close contact with them. They spent an hour with her and carried on conversation through three student girls from the mission schools. All went off very satisfactorily and at 7 p. m. they (our ladies) joined us at the Viceroy's great banquet hall, where 118 sat down to dinner. The decorations of the hall and especially the tables were all that could be desired; in fact, one could only see but a short distance from him. I was fortunately located, as the Viceroy's secretary, Taotai Chung and Mun Yew, managing director of the China Merchants' Steamship Co. (the government line), and Taotai Wang Chung Liang, managing director of the Pukow Tientsin Railroad, sat close

to me. I was well acquainted with them all and, as they speak English well, it made a very pleasant party and I enjoyed the evening better than any entertainment I have attended in many a day. The conversation was animated and dealt with all the subjects that are now troubling China, and as they all had their hand on the pulse of matters deeply affecting China and the rest of the world, it was interesting and instructive. While we are on a commercial trip politics and the policy of China and the nations closely connected with her prosperity or in many cases her adversity, all come to the surface, especially when we come in close intimate personal contact with the great men of China.

The Viceroy delivered a speech of welcome and asked us for advice and criticisms on China. Mr. R. Hotaling made a stirring reply, such as no diplomat or representative of any government would have dared to make, as he would have instantly lost his job. We had an instance of this in Mr. Crane. Mr. Hotaling told them their only hope was to get a great army and navy so as to meet force with superior force and enforce their just demands. Our Commissioners have only been ten days in China, but they have seen enough already to convince them of the injustice that is being perpetrated on the Chinese by foreigners. Sign boards in the park in Shanghai stated that Chinese were not admitted unless they were servants to Europeans. Our Commissioners can't get over it, especially when the Chinese pay nine-tenths of the cost of the upkeep. Verily a day of reckoning is coming. The import duty is five per cent on most articles. China wanted to raise this two and one-half per cent. The foreign powers said no and no went. Why? Because China's army was not large enough yet. I have digressed. When the banquet was over the Viceroy sent a message to me saying if I was not too tired he would like to have an hour's conversation with me alone, in which we discussed matters that would not be proper to write, as the conference was private. I suggested that it would be interesting for our party to see a drill of one of his regiments. As he has 16,000 troops here he consented, and at five o'clock next morning, he sent a messenger to ask me to say that he invited us all to see it. No one was admitted to the drill but our party, as it was for our special benefit.

To give you an idea of the extent of the respect they showed us. A double row of troops on each side from the street entrance to the house presented arms as we went in. A fine band played our American national airs, and after our party had all gone an hour I was astounded when we came into the courtyard, to see soldiers and servants had been held waiting so that in passing out the servants or rather attendants of the Viceroy would accompany us between the rows of soldiers presenting arms while the band played "Marching Through Georgia," and all this from a people so recently said to be antagonistic to foreigners. With all this display I am pleased to say that we never lost sight of the fact that we are here for a purpose and always bring up and keep strongly before them the commercial relations between our countries. And I must say that whenever we talk trade and commerce Oriental customs and ceremonies disappear, and to use a military term, they immediately stand at attention and listen most intently to all we have to say. We insist on getting conferences every day with the merchants for an informal talk on matters of trade, as we find it affects each separate district. To say that our party thoroughly enjoyed the review would not express it. Some of them knew considerable of military affairs and they saw the drill was entirely German. They showed us their barracks' gymnastic drill, which was wonderful, as the athletes were not selected, but a company indiscriminately for each particular drill, climbing fences and stone walls exceeded anything we had ever seen. One of our party who was up in military matters said he could not have believed it had he not seen for himself that they were so proficient. After it was over the General took us into the officers' mess room, where cake, wine and tea was served at a long table especially prepared. So ended one of the most interesting sights we have had in China.

We learned that a soldier's wages averages \$3.00 gold a month. They board themselves out of this. Their uniform is furnished them. We were told that many young men of good families form the army now. It was considered a disgrace to be a soldier up to five or six years ago. We got another illustration of New China in the fair ground, in the large audience hall. About one hundred children from the

Mission Kindergarten School gave us an exhibition. Little tots from five to six years old and a class of sixty girls from ten to twelve, sang American songs, played on piano, etc., and as a contrast, music of China's old style was rendered. The contrast was very great and shows what rapid strides the new education is making. This being China's first exposition shows how they are advancing in western ideas. The management told us of the almost insurmountable difficulties they had to overcome to get it up, and it is wonderful the ability and energy they have shown in getting up such a creditable show.

NANKING UNIVERSITY

We had a reception at the Nanking University. This is a combination of Presbyterian, Methodist and Christian churches, all American. This union of churches and colleges as well as missions is the proper way; in fact, China is showing us the way in this respect. It is concentration of effort and talent and a great saving of money and withal getting far better results and a far greater respect from the Chinese. The president, Prof. Davis, delivered a very good, short, concise and to the point address. They have 600 students, so they are full to overflowing, but new buildings are being erected. They have 1200 communicants in connection with the various missions in the city. There is such a demand for educated young men that it is hard to get any to take the full course. High wages are offered them as soon as they get only a fair education. The demands for teachers for the public schools throughout China can not possibly be supplied and the supply will not be up to the demand for years to come on account of education being compulsory after three years.

They have had the foresight to secure large, desirable grounds for the university and their future looks bright and their power for good as years roll on will be felt all over China. Mr. Dickson of Tacoma made a very suitable reply, and after refreshments were served and an informal talk I visited the buildings and grounds. I found they are putting up excellent permanent buildings and at lower price than I have found in China, so their business management must be of a very high order.

PROVINCIAL ASSEMBLY

The Provincial Assembly of Kiangsu Province invited us to attend a banquet in their building, which is not quite completed yet. This corresponds to our State Legislature and the building to the capitol building in our States. As they are only getting started in this new departure of constitutional government this meeting of all the Assemblymen was most important as they were extremely anxious to learn from us what has proved good and what is bad in our form of State government so that they could accept the good and discard the bad. Our banquet was held in their assembly room and this is the first time it ever had been used for any purpose and a remarkable occurrence was that the health of the President of the United States was proposed by the President of the Assembly on our assembling. So really the building was opened in our honor and it turned out to be a history-making event. Speeches were made in Chinese and English. The principal addresses were by the President of the Assembly and Mr. Blaine of Seattle, the latter giving an eloquent and able address on Constitutional Government. To give an idea of what the banquet was. It was all sent from Shanghai, 200 miles distant—decorations, flowers, food, waiters, a band of musicians; in fact, everything. It must have cost them a great deal of money. The Assembly have only had one session in a temporary building and will soon open their regular sessions in their own fine, large stone building, built on modern and most approved style. All this is preparatory to the establishment of the federal or constitutional government in Peking.

We visited the Ming Tombs outside of the city wall. We drove in carriages to the gate and from there we were conveyed in Sedan chairs, on donkeys and ponies, as we chose. It is only about two miles from the city wall gate. The last Ming Emperor was buried here over 450 years ago and the first one of record was about 1800 years ago. For China the tombs are in a fair state of preservation. A few of the descendants live there and have sufficient land to support them, but according to our ideas of looking after such historic places they are sadly neglected. Great stone elephants, camels and

dromedaries and various other representations of animals, etc., line the road on each side. Their size is about three times larger than natural, each one is fenced in to prevent vandalism by our civilized European and American travelers, which seriously affects the appearance, making one think of an animal caged up in a menagerie. Our hosts again outdid themselves in thoughtfulness and hospitality. They actually had tables, chairs, carpets, refreshments, champagne, etc., all carried out from the city and served us in the temple at the Tombs. While it wasn't yet noon we had an appetite and appreciated it very much. I might also add that carriages, chairs, horses, in fact, everything for our comfort, was paid by our hosts, not only on this trip, but wherever we went about the city. From the Tombs we had a beautiful view of the city and surrounding country. The weather was perfect, neither too hot nor cold, and we had a most enjoyable forenoon. At 1 p. m. we reached the Chamber of Commerce.

At the Chamber of Commerce we were received by the merchants of the city where presents of various kinds were given us and an elaborate luncheon was served. The whole place was decorated with flags, flowers and evergreens. Addresses were delivered and after the meeting a committee from both sides met to discuss trade conditions and at first it was difficult to get at the information we wanted. After patient, persistent work we got at it and secured valuable information. Nanking is an official city and trade has always been of very secondary consideration and it would take a good deal of talk and persuasion to get them out of the rut. There are no manufactures outside of silk in this city, but there is no reason why, with such a large population, it should not be a manufacturing point, as means of communication are excellent and cheap, both water and rail being available and having all the visible and invisible products of the Yangtse valley to draw from. The enclosed part of the city is about eight miles long by four miles wide; and the wall is said to be thirty miles long, averaging about fifty feet high. Part of it was built 2700 years ago. The arches at the gates built at that time stand as perfect and symmetrical as the day they were built. But the walled cities of China are about to exchange the walls for more necessary things, namely: sewers,

waterworks and electric lights. Nanking was partially lit up for the first time with electricity about two weeks ago. At the Viceroy's yamen the work was hurried on so as to be ready for our reception. So even China is moving. We were tendered a banquet at the Astor House by the Exposition Commissioners and the Chamber of Commerce. This was a very elaborate affair. Ninety-eight were in attendance. The usual speeches were made and all joined in having a real good time. After it was over we all walked over and through the exposition grounds, preceded by a military band, soldiers and an innumerable lot of men carrying lanterns having American and Chinese flags. A great crowd was lined along the way. We then went out of the grounds to a Chinese theater, where a special play had been prepared for us. The costumes were the most gorgeous that any of us had ever seen, and the playing was very good. While we could not understand what was said we could easily follow what was meant. We got to the hotel at midnight and had to pack up as the baggage was to be moved that night, so this can be considered to be a day filled to overflowing.

Tuesday we left Nanking at 9:30 in the morning. A special train of private cars was waiting for us, but before going on board the president and directors of the exposition came to the station to see us off and to present to us a large silver bowl for the Associated Chambers of Commerce of the Pacific Coast. The engine and train was fully decorated with Chinese and American flags. At Shai Quan our train was turned over to the Shanghai and Nanking railroad. Their engine was also decorated and pulled us to Chinkiang, where we were met by the officials of the city and the Chamber of Commerce, who conducted us to a pavilion in a garden where luncheon was served and addresses were delivered. We asked them to appoint a committee to meet with our Trade and Commerce Committee, and on the boat going down the creek we endeavored to find out what they would buy from us and what they had to sell. It appears that the Shanghai merchants buy all their products and that there is no direct trade between this city and the United States, but it developed that the only way to work up a direct trade would be for our merchants to have men on the spot. In fact, our

investigation so far has made this fact very plain to us, that if our merchants want a part of this trade, they must send the best men here and let them familiarize themselves with the conditions then business is sure to result, and while the high cost of wages will handicap our manufacturers and shut them out on some lines where they will come in direct competition with British and German firms still there are many lines where they can get in. I have reference to cities outside of San Francisco, as the labor conditions put that city completely out of it. We visited the golden pagoda and went by way of the Yangtse river to Chinkiang, traveling in junks towed by a small tug. They were fitted up in fine style and used as pleasure boats. At Chinkiang we landed and went to a restaurant for dinner. A military band was in attendance and a double row of soldiers presented arms as we went from the landing to the restaurant. The city at this part was gay in flags and colored electric lights. At Wu Hu we called for two hours. The officials of the city came on board and gave and received addresses.

Kuikiang—We spent three hours at this place and were received by the Taotai and magistrates, our Ladies' Missionary Committee visited the various missions and were much pleased at what they saw. The ladies take no one's say-so, but go, see and investigate for themselves. They are pushing the educational work. A Chinese Christian woman is conducting successfully a hospital. She has an M. D. degree from some American college.

Soui Yow—We arrived at this place at daylight and at 8 o'clock landed and boarded cars that were waiting to take us to the great iron mine of Tah Yei, which we reached in one hour. They are working at two places, two miles apart. We visited both places. At the last place a pavilion had been erected and lunch was served. It looked as if all the people of the surrounding country had assembled to see us, as there was a great crowd, probably 2000, outside of those employed at the mines, which, we were told, was 2500. In former visits I described this great mine, which is really a quarry, as there are no shafts or drifts; is just a mountain of ore, 500 feet to 550 feet high. We returned to our steamer and took our departure for Hankow, calling at Wang Shi Quang on the

way, arriving at Hankow at 10 p. m. We remained on the boat for the night.

Hankow—Next morning, October 1, we visited the Yangtse Engineering Works at Seven-Mile Creek. I found these works had doubled during the year. They have lots of work on hand and now employ 1500 men. A lunch was served and I replied to our host and complimented him for being the first host that did not serve wine.

At noon we arrived at the Han Yang Iron and Steel Works and after examining the big iron blast furnaces that were vomiting forth molten metal we were conveyed to a pavilion specially erected for us where an elaborate lunch was served. The place was in the midst of the plant and beautifully decorated with evergreens and flags. Mr. Lee made a very interesting address of welcome and Mr. Piggott delivered a well-prepared and valuable address on the iron and steel industry which he understood well. After lunch we visited the Bessemer plant, rolling mills, etc. I forgot to say that they had prepared a train of cars to take us less than one-quarter of a mile from the landing to the office decorated in evergreens and bunting; so no expense was spared for our comfort and pleasure. After seeing the mine at Tah Yei, and this big plant, our members have changed their opinions of Chinese industries and of their management by Chinese; in fact, it was a wonderful revelation to them all, and all were very positive about this change, and that New China had arrived and the sleep of ages was about at an end. It was a sight we were unprepared for, to stand at the end of the rolling mill and see bars, plates and steel rails coming out in various merchantable shapes. We learned that there were about 25,000 men employed in the coal and iron mines, coke ovens, transportation and in the plant just described. They have many tugs, barges, junks and steamers, about sixty miles of a coal railroad and fourteen miles of iron ore railroad, all in about the geographical center of China. Situated on this, one of the greatest rivers, where at the works it is over one and one-quarter miles wide and over 700 miles from the ocean, for eight months in the year vessels drawing thirty feet of water can come direct to Hankow. We paid a hurried visit to the waterworks and returned to the hotel for dinner. That night

we attended the reception given by the American Consul-General which was a great affair, about all the foreign population being present. So from 8 a. m. until after midnight we were continuously on the go. Sunday came next as a day of rest, in our imagination only. In the early morning I had a lot of cables to translate and at 11 a. m. we went to Wuchang to a great official banquet given by the Viceroy of Hupeh Province. He sent two government gunboats to take us across the river and back. To give an idea of the great expense to which they went to entertain us, His Excellency thought his yamen was not grand enough, so rented a very large building and fitted it up in grand style for this function. The road was lined up with soldiers, and in the halls and large court was stationed a fine military band. While we were marching in they played the new Chinese national anthem, which has only been out for a short time. In several places they have had military brass bands to receive us and they are very good and entirely modern and up to date. About 150 sat down to the banquet. The decorations were very fine, the walls were hung with very large American and Chinese flags; the flowers and silk trimmings on the table exceeded anything we had seen in this line. Mr. Stearn gave the address in reply to the Viceroy's welcome. The banquet lasted three hours and on our return to Hankow a meeting had been called for the Committee on Commerce, so we had to drive to the Chinese Chamber of Commerce, where we talked with twenty of the leading merchants on trade matters. From there we drove to a church service at 6:30 p. m., where we had a very instructive and interesting sermon by Rev. Littel on what missions had done and were doing in China. It certainly was appropriate and timely and nearly all of our party attended. After the service Mr. Wong Quang invited us to dinner at his house. We got back to the hotel tired out after 10 p. m. If any one thinks this trip is a picnic they are much mistaken. Monday morning at it again. At 8 o'clock visiting cotton, hemp, flax and silk factories and a large grist mill. All those were large, modern, up-to-date plants. We also visited a Russian tea factory which puts up tea in bricks for transportation to Russia. The tea is ground, steamed and pressed by hydraulic power into bricks about 4x6 inches and 1 inch thick. It looks like black



HAN YANG IRON AND STEEL WORKS
The only Blast Furnace Plant on the Continent of Asia—A Credit and a Monument to the Energy and Ability of the Chinese Staff of Officials, who so Ably Conduct the Affairs of this Great Plant

plug tobacco. This is quite a tea center. We crossed the river to Wuchang to visit Boon University, where we lunched, saw the fine buildings and grounds and about 350 Chinese young men go through their military drill. This is a very old school and everything about it was in excellent condition. Prof. Jackson is in charge, who, with his wife, we knew. The students' grounds and buildings made a very creditable showing. We visited several other factories and arrived at the hotel in time to dress for the great banquet and reception to be held at the Chinese race track, three miles outside of the city. Although we were not aware of it this proved to be the grand event of our trip.

RECEPTION AND BANQUET AT THE CHINESE RACE CLUB

THE track is three miles from the city. The buildings are large and commodious and the grounds laid out in shrubs and flowers. A good road connects it with the city. In describing this entertainment I want to say that it is impossible to do it anywhere near justice. I asked a newspaper reporter if he could do it, but he said it was impossible. In driving out from the city the road was so crowded that the carriages had to go slowly and as we got near the place the crowd was so great we had to proceed at a walk with frequent stops. At the approach to the grounds the way was cleared by soldiers of which there was a great number, also volunteers and firemen in uniform. A triumphal arch had been built three stories high. This was full of people, as it commanded a fine view of the grounds. It was brilliantly lighted by electric bulbs of different colors, which presented a gorgeous appearance. From the verandas we had an opportunity of seeing the crowd, which extended about a radius of half a mile. It was as light as day from the numbers of electric lights and the fireworks. Military bands and native ones, bugles and drums, made music and noise to please all classes in the crowd. The reception rooms presented an animated appearance, and the large banquet room was packed to its utmost capacity. I think about 150 were present. The room was very nicely decorated and a Chinese dinner was served. All the entertainment was

provided by the Hankow Chamber of Commerce. The vice-chairman made a very good, carefully prepared address along commercial lines which was well received by all of our party. Mr. Booth introduced me as the speaker of the evening, saying the introduction was unnecessary as they nearly all knew me. He paid a very flattering compliment in saying that I was a man who not only said, but did things, and in the development of the American trade in Hankow I had played a conspicuous part. They gave me a great ovation. I confined my remarks to the Yangtse valley as follows:

ADDRESS OF ROBERT DOLLAR

Your Excellency, Members of Hankow Chamber of Commerce, Ladies and Gentlemen:

"I have to thank you for the great ovation which you have just given me. I cannot let this opportunity pass without saying to you, without any fear of contradiction, that no commercial men in the history of the world have ever received such a reception as we received at your hands and the mass of people in your city.

"I will endeavor to confine my remarks to you as a business man to business men, and consequently they must be practical. The object of our visit was set forth in the invitation which you sent us; at the end of it you say: (1) 'To Promote Mutual Good Will' and (2) 'The Growth of Trade Between Two Nations.' You have divided it into two parts; the first part has been dealt with fully, as everywhere we have gone our reception has been sincere and enthusiastic, and even this early in our journey I consider it has been accomplished. The second part is not so easy and will tax to the utmost all our thoughts, ability and energy to accomplish.

"As I am addressing an audience of what you are very proud to call the Chicago of China, and which I accept as a great compliment to Americans, I will confine my remarks to the Yangtse valley. Seeing that one-quarter of a billion people live in the valley and its tributaries, I confess to have taken a subject so great that it is entirely beyond my ability to do it justice. Hankow's trade is increasing by leaps and bounds. You will see by statistics that during the last fifteen

years the trade has increased tremendously. This in some measure is the result of railway communication opened six years ago, which has only begun in a small way. As we look forward to Hankow being the railroad center of China and being at the head of deep-water navigation, it will certainly be the great commercial center of China. The reason of this is not far to seek. This is one of the richest agricultural valleys in the world, capable of producing everything that man requires in abundance. Up to the present time you lack large manufacturing plants, as with your agricultural productions and your natural resources you will be able to manufacture for the whole world. In time your river must be made navigable for vessels drawing twenty-five feet of water all the year. This I know to many of you would seem an almost impossible task, but greater things than this have been done in the world. (We are engaged in a much greater undertaking at present, I mean the Panama Canal.) I have given the improvement of your river some thought and I consider it an absolute necessity that this work shall be done. There are only nine shallow places to be overcome, and as soon as trade develops as we expect, the necessity will be more apparent. So do not be discouraged, as men, money and energy can accomplish anything in reason. I expect to live to come up this river in January or February on one of my vessels drawing twenty-five feet of water.

"As to the future prospects of this great valley, I have often thought over what this would be, but I am free to say that the possibilities are so great that it goes completely beyond my comprehension. In agriculture, while the high state of cultivation could be bettered by fertilization, this would increase your crops from ten to fifteen per cent and still more remunerative crops will be raised. A few years ago sesimum seed was almost unknown. Now your exports are very great. No doubt you will go into cotton growing on a large scale, especially when your cotton mills are built in great numbers and on a large scale.

"But when we consider your minerals, we are lost in wonder. A German expert claims there is more coal in this valley than in the rest of the world. I think it quite safe to make the same estimate of your iron ore. Now with those two minerals laying side by side and in a country of cheap labor—

and the abundance of it can better be understood by again repeating that one-sixth of the inhabitants of the world live in this great valley and tributaries—and seeing that this is properly called the age of steel, I will not live to see it, but the day is coming when the production of steel from this country will exceed that of the whole world.

“In railroads is your great hope to open up and develop your country. You have an example before you of what the Pe Han Railroad has done for the country through which it passes. When this road was built there was no freight to carry. But now, in harvest time, it is taxed to its utmost capacity. The South Manchurian Railroad has been double-tracked and it also at times cannot carry the freight. One and a quarter million tons of beans alone came over that road in 1909, and as you continue building additional roads you will find those conditions continue.

“I consider the Province of Szechwan the greatest mineral-bearing country in the world, and with its sixty-nine millions of people, as soon as railroads run through it, we will hear from it. It is practically unknown now to the world except to a very few travelers. Not one man in thousands who visits China ever gets to see this province.

“From what I have said you will readily understand that you have a gigantic task on your hands, and it will take all the energy you are possessed of and you must have money to do it with. One very important factor is what we call captains of industry to direct all those great works. I am pleased to say that you do not require to go abroad for them as from personal experience I know you have them right here to start with.

“From what I have said you will see that we think you have one of the richest heritages of the world. But undeveloped as they are your minerals are of no more value than dirt in the street, so you must be up and doing. There is lots of hard work ahead of you, but that, coupled with energy and money, and your future is assured. You, young men, have the making of China in your hands.”

After the speaking all went on the verandas to see the fireworks go off in earnest. They had erected a tower of bamboo poles about sixty feet high and from this the various

pieces were set off. None of us had even seen such a display before. As the crowd was all waiting to see us depart, I suggested that we should leave before midnight, which we did. Knowing that the crowd had to walk from four to five miles to their homes, it showed more than anything else what a cordial reception we received, not from the officials and merchants alone, but from the mass of common people, as it must have been long after 1 o'clock in the morning before many of them got home.

We have been told on all sides and by different classes of people that there never had been such a reception given to anyone in China, and the significance of it is in the thought that Hankow is destined to be the greatest commercial center in China. So if it is only possible to get our merchants to understand the prospects, they should get their share in the future great expansion of trade of the Yangtse valley. But this must be done by personal visits of our merchants or their representatives. No other way will do. The Germans and English are everywhere; the Americans are only conspicuous by their absence. Time will tell whether they want this trade or not. We all went home tired out, but with a lot of food for serious thought at the magnitude of the problem before us.

We left this city at 10:30 a. m. and at the station it was nicely decorated and a great lot of firecrackers were set off to bid us godspeed and good luck. The principal merchants and citizens were on hand to see us off and we got an official goodbye from the Taotai and his staff as well as a representative from the Viceroy of Hupeh Province, in which Hankow is situated. A special train was provided by the Central government on orders from the Minister of Communications. It consisted of six sleeping cars (Belgian style of cars, as this road was built by them, but afterwards sold to the Chinese government), one large dining car, where we got the best of everything, and two baggage cars, this completed our special train, which was very comfortable and all we could have wished for, especially as it was furnished free of charge to us. On the way we noticed that the harvest was about over and the farmers were preparing the land for next year's crops. Our party was much surprised to see such a rich agricultural

country, which, except one slight elevation, is perfectly level, all of the nearly 800 miles from Hankow to Peking. The same may be said of the railroad from Peking to Mukden, another 500 miles. One fact that is apparent to all is that it is a rich agricultural country, mostly of a rich alluvial soil. Having been under cultivation for thousands of years it now requires fertilizers on a large scale which would increase the crops very much.

Peking—We arrived at 5 p. m. All the party got rooms at the Hotel des Wagon Litz. The appearance of the city was so different from the other places we had visited that it could not help causing surprise. Not a flag nor a piece of bunting visible. Articles in the papers that the Japanese were complaining bitterly that their party of distinguished business men who had just preceded us had not been well received, and telegraph reports that they had asked our government to send Mr. Calhoun home, (this being a political and not a commercial community), we were sure of a poor reception but did not expect this. At the hotel there is not one flag, either American or Chinese visible. However, the Imperial Railroad provided a special train on the Kalgan Road which took the party to see the great wall of China, and also provided a very nice lunch, all without charge. I just learned that the Hankow people paid all our hotel bills so we sent them \$800 to be used by the Chamber of Commerce for charitable purposes. The next day (Friday) we were invited to see the Summer Palace, twelve miles out. This was a rare sight, as it is closed to visitors. The grounds cover several hundred acres; a lake is in the center about one-half mile long by one-quarter mile wide. A very fair road connects Peking with this palace so we drove out in carriages. The grounds have been laid out and built regardless of expense. Several fine bridges, pagodas and all kinds and descriptions of houses and rooms for an army of retainers and servants. We were shown the private apartments of the late Empress Dowager, her throne and reception rooms, which were different from anything we had ever seen before. The painting by Miss Carrol of the late Empress has been veiled since her death, but it was unveiled for our inspection. Boats were provided for us on the lake and the Barge of State was opened for us.

On great occasions it was towed around the lake with steam launches. The appearance of the whole surroundings is that of an exaggerated fairy land. The royal family had moved into the Winter Palace a short time ago. To give you an idea of what the Chinese has to put up with from Europeans, when we got to the gate over twenty foreigners were waiting and when the door was opened they forced their way in amongst our party, although we had never seen them before. Each one was armed with a kodak and when in the throne room a boy of their party was detected by one of the attendants stealing an ornament, we requested the Chinese to allow our party to go alone, so that we could not be blamed for the misdeeds of others. We returned to the hotel for luncheon at 2 p. m., a distance of about twelve miles, six of which are through the city; from the city gate to the Palace is six miles, over a good macadamized road, each side being laid with flat stones of about six feet in width.

At 5 p. m. we went to a reception at the Legation given by Minister Calhoun in our honor. All the Americans in the vicinity were present. At 8 o'clock we left to attend a banquet given by the Press Club of Peking, foreign and Chinese. About sixty were present. A feature was several vacant chairs. This is the first time during our visit to China that such a thing had occurred. We must compliment them, however, for having one American flag in the room, the first we have seen in Peking. There were some very able addresses and Mr. Field spoke for our party in a carefully prepared dignified address. The affair passed off pleasantly. Saturday, 9 a. m. we are due at the Imperial Palace to be received by the Prince Regent. The men of our party only being invited. We were unfortunate in our visit here as being purely social and no business connected with it at all. So our time to a great extent can be considered as lost.

AMERICAN LEGATION

Peking, October 4, 1910.

Willis H. Booth, Esquire,
President of the Commercial
Commissioners, Peking, China.

Sir: I beg to state that I am in receipt of instructions from the American Minister to transmit to you, as President of the Commercial Commissioners the list received by this legation from the Chinese Imperial Board of Foreign Affairs setting forth the names of those persons who will be present at the Imperial Audience to be held at half past nine o'clock on the eighth instant, and to inform you of those directions which have been made by the said Board, both orally and in writing, for the guidance of the said persons on the occasion of the Audience.

Shortly before nine o'clock on the day of the Audience the American Minister, accompanied only by the Chinese Secretary of the Legation, will proceed to the Forbidden City by way of the Grand Hotel des Wagon Lits, where he will be joined by the Commercial Commissioners already in their carriages waiting his arrival. The entire party will then take its way to the Eastern Gate of the Forbidden City, where the carriages will be left and whence way will be made on foot to a place called the Shang Sau Yuan. Here the Minister will take a palace chair and will proceed accompanied by the rest of the party on foot. At the Ch'ien Ch'ing Gate the Minister will alight from his chair and the party will proceed to the Upper School Room, where the Ministers of the Board of Foreign Affairs will be in waiting. Here the party will wait until half past nine, when it will be conducted by the Ministers of the Board of Foreign Affairs to the Yang Hsin Audience Hall.

It may here be noted that the Yang Hsin Audience Hall is not large and in order to avoid confusion the Board of Foreign Affairs requests that a pre-arranged plan of procedure be carefully observed, that is, that the American Minister shall stand a few feet in front of the party, accom-

panied by the Chinese Secretary, who will act as his interpreter. Back of the Minister will stand the President of the Commissioners, with the first and second vice-presidents on his right and left, respectively. Back of the latter the Commissioners will take their places in two rows of eleven persons each. It is recommended by the Legation that a plan showing the place of each Commissioner should be arranged and published beforehand, and that, owing to the narrowness of the passage ways between the Upper School Room and the Audience Hall, this arrangement be observed in passing from the former place to the latter. When the Audience Hall is reached the party will take their respective places as described above and arranged in advance and will await the entrance of the Prince Regent.

When his Imperial Highness enters the hall all the members of the party will bow and this bow will be returned by the Regent. At a given signal, after a few words of conversation have been exchanged between the Prince Regent and the American Minister, the party will again bow to the Regent, who will return the bow and the Audience will be at an end. The Minister will thereupon retire through a side door, to which he will be conducted by the president and vice-presidents of the Commissioners and finally by the entire party in the order of their nearness to the exit. It is customary to retire in such a manner as not to turn the back on the Prince Regent, who will remain until the entire party has left the hall. Each person, on reaching the door, will bow to the Regent and take his departure. It is usual at Audiences, also, to avoid conversation in the vicinity of the Audience Hall. It may be remarked that among the Chinese themselves this is a rule enforced with the utmost severity.

The Audience being thus concluded the party will return to the Upper School Room, where a slight collation will be served, the president of the Board of Foreign Affairs, the American Minister with the Chinese Secretary, and the president and vice-presidents of the Commissioners, seating themselves at one table and the remaining Commissioners and Chinese officials at another.

After a few minutes the return to the carriages will be made.

In conclusion, I beg to express the hope on behalf of the American Minister that you will transmit as much of the above information as you deem necessary to the Commissioners and that you will not hesitate to command my services at any time and at all times when they may be of use to you. I am, Sir,

Your obedient servant,

(Signed) WILLYS B. VECHS,
Assistant Chinese Secretary.

NOTICE

Those members of the Commission who are to attend the Audience with His Imperial Majesty, the Prince Regent, should be ready to leave the hotel, and should be in their carriages not later than 8:50 o'clock. Full evening dress must be worn, with white tie and white gloves.

When the party leaves the carriages to march to the Audience Hall, they should fall into a column of two abreast, the positions being determined by height. The positions thus taken must be followed up to the conclusion of the Audience.

The invitation extended for tiffin at noon by the Foreign Office does not include the ladies of the party.

List of persons to be present at the Imperial Audience of October 8, 1910. Enclosure is from F. O., No. 54.

His Excellency, William J. Calhoun, American Minister.

Dr. C. D. Tenney, Chinese Secretary.

Willis H. Booth, Esquire, President of the Commercial Commission.

William Lewis Gerstle, Esquire, Vice-President of the Commercial Commission.

C. Herbert Moore, Esquire, Second Vice-President of the Commercial Commission.

E. S. Moulton, Esquire, E. P. Bosbyshell, Esquire, O. M. Clark, Esquire, R. M. Hotaling, Esquire, Robert Dollar, Esquire, Charles K. Field, Esquire, Charles V. Bennett, Esquire, Cyril H. Tribe, Esquire, Samuel R. Stern, Esquire, John Henry Shaw, Esquire, Eugene A. Young, Esquire, W. H. Weilbye, Esquire, George Burnham, Esquire, William Franklin Knight, Esquire, L. R. Freeman, Esquire, Jacob Furth, Esquire, Elbert F. Blaine, Esquire, William Piggott, Esquire, L. R. Manning, Esquire, W. H. Dickson, Esquire, Charles H. Hyde, Esquire, F. L. Waldron, Esquire.

At Peking—We left the hotel so as to be at the Palace at 9 a. m. Drove in carriages into the Palace court as near as we were permitted to go, and after passing through several gates and across courtyards we came to the reception room, where we were received by the court officials, several having conducted us from the carriages. Wine and cake, cigars etc., were served. At this place we marched two abreast to the throne room. To get to this we went through two gates or doors and across courts that were paved with large flat stones. The throne room was small. The throne was a raised platform with a large chair. The room was about twenty-four feet square. We lined up in front of the platform. Our Minister, Mr. Calhoun, and Dr. Tenny as interpreter, stood in front of the line and in a few minutes the Prince Regent came in by a door leading to the back of the platform, which was closed by a curtain. One attendant opened the curtain for His Highness to enter, the other followed him, one standing at each side during the conference, which was between our Minister and the Prince. The Prince inquired if we had been well received and if we were pleased with our visit. Mr. Calhoun explained that our visit was strictly on business and had no political bearing; that we were just ordinary business men from the Pacific Coast desiring to increase the trade and commerce between the two nations and thereby creating a stronger friendship between us. The Audience lasted about ten minutes, when he retired as he came, after which we filed out. We learned the rule was that we must not turn our backs to him, hence his leaving first. There were twenty-four of our party and Mr. Calhoun and Dr. Tenny, twenty-six in all. This is the largest number that has ever been granted an Audience, and the first time that ordinary business men have ever been presented to the Chinese throne, and this has caused considerable talk in diplomatic circles as well as with foreign merchants, who do not relish the reception we have been given everywhere we went. We returned to the reception hall, where we sat down to a luncheon and had interesting unofficial talks with the officials on various subjects, political and commercial. We were then driven to the Wai Wu Pu (Foreign Office) for a formal luncheon. We were received on entering by the various Ministers representing various

boards. This meeting was diplomatically formal. I sat along with the Minister of Communications and Mr. Liang, who really runs the bureau. Jeme Ten Yow, China's greatest engineer, and Loo Etong, the general manager of the Imperial railways, all joined in a two hours' interesting talk on the railways of China, a subject in which I was very much interested. The speeches were short and the commercial value of them was less. The President welcomed us and Mr. Calhoun replied in general terms, saying as little as possible. There was a large party present, about 150. The reception was held in the large audience room. This is a new building, very substantially built, foreign in style, and beautifully furnished and decorated.

We returned to the hotel and got ready to attend a reception given by Mr. and Mrs. Calhoun at the American Embassy, at which all the American colony were present. In the evening at the Hotel des Wagon Lits we were given a banquet by the Provincial Senate. The large room was crowded to its utmost seating capacity, was beautifully decorated with flowers, flags, etc. There was a full attendance of the members of the Chamber or Senate from all the different provinces. They are holding their first session and are only trying to get it into shape to legislate. As we understand it, their power is quite limited, beyond getting up rules and regulations for themselves as well as the Provincial Assemblies. I tried to get a thorough knowledge of what the powers of each are, but I found such a difference of opinion amongst the members that I could not write correctly on the subject. Both the upper and lower house are in a formative state without definite rules to guide them. Unlike our State Legislature that has a Senate, they have their provincial capital and their Senate is in Peking which serves for them all and corresponds to our plan of State Legislatures without the State Senate, but with a general Senate like our Washington Senate. The whole is patterned more after the English style than ours and would also take some of our ideas as far as they would suit a limited monarchy.

By this plan the State Senate and our House of Representatives are eliminated. The powers of both houses will likely be defined at this session. Up to the present time the

Grand Councilors control the situation. We spent a very pleasant evening with the future statesmen of China, all anxious to know as much as possible of our form of government. No speeches from our side at this banquet on account of a difference of opinions on this new form of government amongst the Chinese.

Sunday—We did our best to keep this day free, but the Chinese would not have it, so at noon we were invited to the Botanical Gardens, where an elaborate luncheon was provided by the government at which we met most of those at the head of the various departments. Large tables were placed in four rooms and there must have been 200 present. Only formal, short, congratulatory speeches were delivered. After the luncheon the guests were taken around the grounds in chairs and rickshaws, which were provided. His Excellency Sheng Kung Poa requested me to remain behind and meet the Minister of Foreign Affairs, Minister of Commerce and the Minister of Communications. Our talk lasted until 5 p. m. The conversation was general, but international affairs got their fair share of the time. The importance of the commercial relations between Sheng and myself were discussed and we received favorable comments. Railroads and finance were also discussed.

Sheng Kung Poa is in Peking endeavoring to plan out and put into operation a staple currency. This is a great undertaking, but he is equal to the task.

I got back to the hotel in time to get ready for the banquet given by the Chamber of Commerce. The floral decorations were probably the best we have seen. The general appearance of the room was gay and brilliantly lighted by electricity, a comparatively new thing for Peking. The Chinese speeches were good. Mr. Calhoun and one of our members (Mr. Moore) replied and Mr. Booth gave a short address. There were 170 present. It was a very enthusiastic and pleasant party.

Tientsin—At 10 o'clock the next morning, we left Peking on a special train provided by the government. All their best carriages were used, including one used by the late Empress Dowager. At Tientsin we were received by both the officials and merchants. Carriages were provided to drive us to the

Astor House, where the entire party stayed. The afternoon was spent in visiting the industrial school, manual training school and commercial museum. The manual training school was most interesting, showing what is being done with young beggars and outcasts, teaching them trades, and their work pays the running of the institution. At 6:30 p. m. we were driven to the Viceroy's yamen, where an elaborate banquet was prepared for us. This was a very swell affair. The room easily accommodated the 200 guests. It was one story, the ceiling being over thirty feet high and rooms with raised floors four feet high opened to the main hall and about forty feet wide, surrounded the hall on three sides, all beautifully furnished, Brussels carpets and Chinese decorations blending old and New China. As the Viceroy of Chili Province is the ranking Viceroy he is the most important personage we met outside of Peking. Li Hung Chang and Yuen Shi Kai both occupied his place, two of the most distinguished of China's great men. As we drove into the court great numbers of soldiers lined the way and presented arms. A military brass band was in attendance, making it a very grand affair. The banquet hall was gaily decorated with flags and flowers. The dinner took three hours to serve, as is usual with great Chinese dinners. The Chinese speeches were congratulatory and of welcome. Nothing of any importance or significance in any of them. The speeches of late lack individuality and the saying of something of importance that would be of value for furthering the object of our visit; in fact, they only say pleasant compliments and forget or neglect the prime object of our visit to promote trade and commerce. It was after midnight when we got home.

Tuesday, October 11, visited the university and at noon got to Li Hung Chang's memorial hall, where luncheon was served by the Taotai officials and the Chamber of Commerce. There were short addresses. Mr. Stern spoke on constitutional government, which was impossible to translate, so to a great extent it was lost in the translation. Afternoon some of us met a committee of merchants and discussed trade possibilities. This evening Mr. Sun gave us a banquet, at which a great number were present. One feature of this function was the illumination of the grounds. Different colored incandescent

lights were placed in rows about two feet apart on each side of all the walks, giving it a brilliant appearance. I noticed the government had given him quite a number of soldiers as a guard of honor besides one of their bands. There being no room large enough to accommodate the guests, round tables for eight were placed in three large rooms. Mr. O. M. Clark made the speech for the Commission on the Industries of the Pacific Northwest, showing its importance as a center of commerce, dwelling particularly on the lumber trade. Being tired out we left at 11 p. m., before it was over.

Wednesday we left on a special train at 8 a. m. and visited the Tongshan coal mine belonging to the Chinese Engineering and Mining Company. This is a modern, up-to-date, well equipped mine of soft coal. They are making coke in old-fashioned open Chinese ovens. The product seemed to be all right. Large pieces and solid, but about fifteen per cent of ash. Their production by this process is only six hundred tons a month, so to do an export business they would have to put in modern coke ovens. The railway company furnished us a very good lunch in a building fitted up for the purpose at their Tongshan shops. His Excellency Loo Etong, managing director, gave us a very interesting and instructive talk on the early history of the Tongshan, which in reality is the early history of the Imperial Railway of China. When the first six miles of road was built from the mines to a canal dug by the intrepid Tung Yuen, like many other great promoters of industry, he was ahead of his time and lost his large fortune in the pioneer work, which went to the benefit of the farseeing British investors, who ask £1,800,000 for the property. The Chinese government have offered £1,750,000, so it is likely the government will become the owner when it will consolidate with the Lanchow mines, which the government are just developing and where they have installed a modern plant of the most up-to-date machinery, but for a new mine not producing coal for the market it looks as if half of the equipment would have been sufficient. However, if they find plenty of coal it will all come in. In all the shops and mines there is not a piece of American machinery; it is nearly all Belgian. There can be no question but Americans could have got a share of this had they wanted it. They have

installed great electrical plants and it is conceded that the American installation is the best, so it would only have required a good practical man on the spot to have gotten all this business. This absence of American enterprise I noticed had a depressing effect on our party, seeing that at an even price we are assured Americans would get the preference. We visited the large cement factory nearby, also run by a Chinese company. They have buildings under construction that will double the capacity of their plant. This plant is only two years old and is also fitted up entirely with Belgian machinery which seems to be of the very best patterns as well as manufacture. The same remarks about the other machinery would apply to this great establishment. At the present time this district vies with Hankow as the great industrial center of China. This, however, has an eighty-mile rail haul either to Tongku or Chinwantow. This latter port must be deepened and extended, then with new energy it should become one of the great ports of China. At present a steamer might load to twenty-two feet, but this can only be done by working her at high water, and as the bottom is soft and easily dredged it is not a serious matter, as without doubt the government will purchase it from the present owners, the Chinese Engineering and Mining Company.

As this port goes with the sale of mines, steamers, etc., and as it is the only ice free port on the north side of the gulf of Pichili, it is of great importance to the Chinese government; in fact, to all people doing business in the north. As to the future prospects of this district, with an account of the pioneer work that has been done, it is not difficult to predict a great future. Iron has been found eight miles from the coal mines. Unfortunately I did not have time to go and see it. A little development has been done but not enough to demonstrate either the extent or value, and as I understand it, it is all surface work that has been done. But if large deposits of iron ore can be found in such close proximity to the great coal fields of North China and good coking coal right on the spot, it don't take a prophet to tell what will happen in the near future. And right here we can expect an industry to spring up that will rival Hankow, but there is plenty of room for all. The conditions are ideal for development, as unlike moun-



THE OLD PALACE AT KYOTO, JAPAN
The Seat of Government of Japan when Admiral Perry
Opened the Ports of that Country to the
Commerce of the World



The Mayor of Kyoto and Wife escorting Mr. and Mrs. Dollar
and Friends through their Garden

tainous mining districts, this country is perfectly level and railroads can be built at the minimum of cost and also of operation. This by all odds has been the most interesting sight our Commissioners have had the good fortune to see in China. A district that with capital and energy will stand out prominently over other places in North China.

We returned on the special train to Tientsin arriving at 8 p. m. My business friend had a private dinner ready for us on arrival. The party consisted of those interested in business only, with six Chinese ladies and Mrs. Dollar. We had a very pleasant time and at midnight we went on board the steamer Hsing Ming. I forgot to say that various coal mines have a capacity of about 6000 tons a day, but they are not doing this yet, and the cement factory, when completed, will product 2500 barrels a day.

Chefoo—At this city great preparations were made to receive us. Two Chinese cruisers were bedecked with flags and launches were covered with flags. At the landing evergreens and flags were in evidence. A long double row of soldiers presented arms as we drove through them in rickshaws to the hotel, where a very fine arch of evergreens was erected across the street and lots of flags everywhere. All of which convinced us that the people of Chefoo were in dead earnest in welcoming us. We had a conference with the business men lasting most of the afternoon. All matters of commercial interest to both of us were discussed. We found trade had fallen off and our share of it had decreased more than that of other nations. And without railway communication to the interior the general trade will decrease more, as the Germans from Tientsin through their railway communication are cutting into this trade, so that the Tsingtau trade is increasing very fast. At 5 p. m. we had a very friendly and sociable affair. I was very sorry to learn that Mr. Fowler, the Consul, had become quite deaf. At 7 p. m. they gave us a banquet. The room was beautifully decorated with flowers and we had a very pleasant time. A few short addresses were made, and Mr. Booth made the best speech he has made yet. It was good and to the point, and said things and gave ideas principally as to how the Chinese can increase their trade and how ours can be increased. Great crowds lined the streets

and wharfs to see us off at 11 p. m. When we sailed for Foo Chow we were especially favored by fine weather.

Sunday afternoon we had a religious service, which was unique, as no one was capable of conducting it. Mr. Booth gave the subjects, I read the One Hundred and Seventh Psalm, Mr. Burnham gave an excellent recitation on the immortality of the soul. Several hymns were sung, including "America." For a service of the kind it was good.

Foochow—We were due in the morning at this place, but did not arrive at the pilot station until 1 p. m., Monday and at Pagoda anchorage at 4 p. m., where house boats and tugs were waiting with a reception committee since early morning. The tide was low and when we got half way up the ten miles from Pagoda to Foochow the tugs got aground, but each house boat or junk had a big spread of sails, so we made all sail and with a good breeze excellent time was made; but the wind suddenly died out so we all came to a stop. The tugs got over the shallow places and picked us up again, but in a short time they got aground again, leaving us to our own resources. All this was exasperating, as a banquet was prepared for us at 7 p. m. and the Viceroy and officials as well as merchants were all waiting for us, but by perseverance we reached the banquet at 10 p. m. The streets were all lined with people, just barely space enough to get through in the chairs that were provided for us. One feature was, small school children, all dressed in white, each one having an American and Chinese flag, alternately, and when the banquet was over at 1 a. m. we were astounded to find the children still lined up to see us pass out to the various private houses to which we had been assigned and where the good kind people made us as comfortable as if we had been at home, there being no European hotel at Foochow. At the banquet there were about one hundred and thirty present, presided over by the Viceroy, Sung, of Fukien and Chekiang provinces. The Tartar General Pu was an innovation at the table. It appears the Prince Regent was not very sure of the loyalty of the people and sent the Tartar general, who is said to be over the Viceroy. There were a lot of officials, some merchants and some from the Provincial Assembly. We found the latter always glad to get ideas from us, as their Legislature is in its

formative state and many perplexing questions arise. I find that in this city, like all other important cities, there is a Japanese daily newspaper printed in Chinese, moulding the minds of the people their way. It is a remarkable fact that they do not pay, but some one foots the bill. The only two steamers (ocean going) that were at anchorage was a Japanese and a British. The Japanese traders and especially their steamers, are to be found in every port. They look on their merchant marine as indispensable to their trade. Without it their trade expansion would have been impossible. Our wise Congressmen think otherwise, therefore our ships in the foreign trade are no more. As usual in Chinese rivers, the Min river is full of boats, junks and crafts of all kinds. We saw many rafts of poles coming down the river. I learned the poles take about fifteen years to grow and there is continual reforestation going on and the crop is not cut faster than they grow, but the reason of their small size is that they can't afford to let them grow bigger. They are all carried out of the woods to the river on men's shoulders, where they are made into large rafts and floated to Pagoda anchorage. From a distance of fifty to one hundred and eighty miles in the interior they are loaded in junks and shipped to all Chinese ports and go by the name of Foochow poles. It is difficult to estimate the volume of this trade, but it must run into the hundred millions a year. The competition from this commodity is severely felt by the Pacific Coast fir. Going up the Min river from the ocean to Foochow, something over thirty miles, is one of the most picturesque sails in China and was very much appreciated by our party.

Amoy—We arrived early in the morning and after the reception committee came on board they escorted us ashore, where a number of Chinese merchants at the landing escorted us to the Bank of Communication, where refreshments were served and an informal reception was had. We were next conducted to the Chamber of Commerce, where we were formally introduced to a great number of the members and they also had a spread of good things to eat and drink. We then went back to the river. Along the streets great crowds were lined up to see us pass. We got on the tug and went to the outside limits of the harbor and one-quarter mile on land

to the Nan Puto temple, one of the most celebrated in China, rebuilt about forty years ago. A luncheon was served by the Chamber of Commerce in which Taotai Kno and Major-General Hung participated. A feature at this function was a number of retired Chinese merchants from the Philippine Islands. One man had lived in Manila fifty years. So great is the intercourse that they now have two steamers running between Amoy and Manila. This is the first city that the immigration question was brought publicly to our notice. They claim, like San Francisco, they are suffering from the mal-administration of the law. It was temporarily passed over by the statement that the Commission was going to Manila and would investigate. No doubt this was only a commencement of what we would get in Canton. At the temple we made an attempt to get the merchants to meet our Committee on trade and commerce, but this proved a failure for want of time, so once more opportunity was lost to accomplish the primary object of our visit. We went to the American Consulate and to where the ladies were having tea at a tennis court. They had not been with us during the day. We then went on board the steamer and sailed at 6 p. m. for Hong Kong. An inscription was cut in the rock at the temple commemorating the visit of the American battleship fleet. A place alongside of it had been prepared to commemorate our visit so future generations will know we visited Amoy.

CANTON

WE arrived in Hong Kong at 5 o'clock and remained all night, sailing on the "On Lee" at 11 a. m. for Canton arriving there at 7 p. m. We landed at the Admiralty Building, which has just been completed. It is a very large, fine, modern structure for headquarters of the navy of South China. Fifteen miles from Canton we were met by a gunboat, the captain bringing the message from the Admiral giving us the freedom of the port and welcoming us to Canton. This gunboat convoyed us to Canton. On nearing the city we could see the illuminations, and as we got close enough we found it to be the finest of the many good illuminations we have had in China. Both electricity and lanterns were in evidence. On landing a great many troops were drawn up in lines on both sides and when we marched through they presented arms and the bands struck up American tunes. It is very difficult to say, but this display probably exceeded all others, that is, outside. Inside, the decorations were also very fine. We were met by the representative of the Viceroy, who unfortunately was sick and unable to meet us. The Tartar General Admiral Li, Taotais and representatives of the Chambers of Commerce were all in line to receive us, so our arrival and reception here made us feel at ease, as on account of immigration and boycott troubles we felt a little anxious. About one hundred and fifty sat down to the banquet. Congratulatory (short) addresses only were delivered. Two gunboats took us to the hotel on the Shameen, where we arrived shortly after midnight, the weather being much warmer here.

Saturday, October 22—Left hotel at 9 a. m., visited the temple of Five Hundred Genii, where Marco Polo has a very prominent seat. We arrived at the ancestral temple of the Chan family at 11 o'clock; had a two-hour conference with Canton merchants and at one, luncheon was served in the large hall, which was beautifully decorated for the occasion. It is one of the most beautiful temples in China, and with added decorations it made it one of the grandest sights we have seen

on our trip. Mr. Waldron of Honolulu replied to the Chamber of Commerce address of welcome, and I gave an address on the question that most interested the Cantonese, namely, "Immigration Into Our Country."

Ng Poon Chew of San Francisco interpreted it in his usual able manner, which brought forth great applause from the Chinese audience. On account of the size of the hall and the great height of the roof it was very difficult to speak but I got the audience to gather close around and all heard very distinctly, as it was considered very important that there should be no misunderstanding as to what I said, particularly as we all felt this was the most important address of our trip and on it would depend whether we would be able effectually to dispose of this subject, on which there has been so much difference of opinion. From what we could learn from the Chinese they were quite satisfied with my explanation and it had the effect of oil on troubled waters. The members of our Commission generally were satisfied also, and the matter was disposed of and not brought up again. So we gave a sigh of relief to know that we had accomplished in Canton as well as all other places we visited a better feeling of friendship and good will.

SPEECH OF ROBERT DOLLAR

This is the question of questions before the Chinese and American people. It is many sided and has its rights and its wrongs on both sides. As to the Treaty itself, which is the foundation of the relations between the two countries, (talking from the American side), we have this to say, that inasmuch as it will be up for revision in a short time between our two governments, and seeing that at that time it will be left to the diplomats of both nations to decide what is best for both countries, we are quite willing to leave the entire matter in the hands of the distinguished Chinese and Americans who will be chosen by our respective governments to make a just and suitable settlement of all the points at issue. Therefore we think it would be out of place at the present time to discuss this side of the question.

As to the treatment of the Chinese in San Francisco who are entitled to land, this matter has not been neglected or ignored by our people. Three months ago a committee of fair



RECEPTION GIVEN BY THE PROVINCIAL ASSEMBLY TO THE COMMISSIONERS FROM THE UNITED STATES
CANTON—1910

minded men were appointed, three by the Merchants' Exchange, and three by the Chamber of Commerce, and a full investigation was made. I devoted a week of my time to this work, being Chairman of the Committee. I felt in undertaking this work, that the Chinese were not being properly treated. I cannot do better than read my report of the Committee, a copy of which was sent to the Commissioner of Immigration, the Secretary of State, and to President Taft.

REPORT ON IMMIGRATION

“We interviewed the Chinese Chamber of Commerce, the Six Companies, Chinese daily newspapers, and many Chinese merchants, and on the other side we had conferences with H. North, Commissioner of Immigration, and several of the Immigration officials, and finally we spent a day meeting the Chiyo Maru and another steamer to see what reception the Chinese passengers received, then followed them to the station at Angel Island where we saw them examined; and, through the courtesy of the officials, were shown through the entire buildings and plant, and were given every facility to see the treatment of the Chinese in every stage of the examinations, and the manner of their treatment before and after deportation. After impartial consideration on both sides of the question, we find that cause for complaint exists to some extent, but on the whole this has been exaggerated.

“We found the examinations to be unreasonably severe, and to answer the questions correctly, was an impossibility, as the applicants have to prove their own case. Whereas, in criminal cases the accused is considered innocent until he is proven guilty, here he is considered guilty until he proves himself to be entitled to land; and evidence, if taken literally and compared with the witnesses, would be sufficient to exclude every man, woman and child from landing. For instance, the eight or ten year old son of a merchant is asked his grandmother's maiden name, on both his father's and mother's side, the names of people living a block or two distant, their children's names, ages, etc. Then the father who has not been home for years is asked to corroborate his son's statement, which is simply impossible.

“We find those attempting to land have great difficulty in getting witnesses to go to the station to testify. One young man, a native son, had been waiting two weeks. The wit-

nesses arrived when we were there, and he would have no trouble in landing. This refers only to those witnesses who live around the bay, but many arrive whose witnesses live in distant States, the papers have been forwarded to the representatives of the bureau nearest where the witness lives, and in the event of change of residence or pressure of business of the official, it makes it a very long and tedious wait. The system of examining the witness is so complicated, that it seemed to us to be impossible for any person to enter who is not entitled to.

"The buildings, manner of caring for and feeding the immigrants, etc., are all that could be desired, and in justice to those in charge, we congratulate them on the conditions as we found them.

"We were informed that those arriving in the first class cabin, had their examination commence at Meigg's wharf, and was completed as soon as possible, so that they had no delay in landing, and not one in a hundred was detained. The Chinese have furnished us with details of forty-five cases, all during 1910. Some of them look bad for the officials, but as we only secured the Chinese version and not the inspectors', we think it unfair to comment upon them, and for the sake of commercial good-will and justice, we think the government should investigate.

"If they desire it, we would give them the numbers of the cases, and in the meantime our consuls should be requested to allay the irritation in China, assuring merchants and students who are entitled to land that they will be allowed to land without any indignities being offered them, and that the departments see to it that their instructions are carried out, not in letter only, but in spirit. In view of the fact that a large number of our most influential merchants leave this Coast to visit China next month, we consider the foregoing important. We ask justice and a square deal for those who are entitled to land, the same treatment they give us in landing in China.

"We offer the following recommendations:

"1. That a more reasonable and rational method of questioning be adopted.

2. That all witnesses, white or Chinese, who live in San Francisco or neighboring towns, be examined in San Francisco, as a witness who has no particular interest in the person might

go to San Francisco to testify, but would refuse to go to the island, especially as it often happens that the case would not be reached the first day the witness went, thereby necessitating two or more trips.

"3. That examinations be expedited by sending for witnesses, as the party being locked up has not the means for getting them."

I think that the Chinese should be examined in Canton or Shanghai by the Taotai and a proper American government official, whose certificate shall be final and any person having that certificate should be allowed to land without further examination. I cannot, however, caution you too strongly to have your government officials see to it that no fraud is perpetrated as the fraudulent certificates issued some years ago by corrupt Chinese officials and certified to by mercenary American consuls, who, along with their interpreters, got suddenly rich, was what caused all of the trouble. On my visit to Angel Island I saw several Chinese women that had been brought over by their owners for immoral purposes. They were caught and ordered deported. No doubt they were brought from China by the connivance of some of our officials, who would get a certain amount if they landed. It has become a notorious fact that merchants' wives have great trouble landing, while women of the other class have in too many cases no trouble in getting ashore. The Chinese can have no complaint of the exclusion of this class as our laws prohibit their importation from any country. On my visit to Angel Island I saw a white woman amongst the Chinese who had also been ordered deported. In the case of bona fide students, for some time, none have been refused admittance. Many are going from Shanghai and there has been no trouble. The Young Men's Christian Association there writes to the Y. M. C. A. in San Francisco, and a Chinese representative goes to meet them on board the steamer, and gives them all the assistance they may require. This information is not hearsay, as I have given it my personal attention.

In conclusion, I earnestly ask you to stop the fraud at your end, and we request that you see to it that only those who are entitled to land shall be permitted to leave this country. The Japanese government has attended to this in their case, so that all trouble and friction has ceased. I assure you that we will do our best to stop the fraud at our end and we will do our

utmost to see that any Chinese who is entitled to land shall be landed without delay or any indignities being offered to him.

After luncheon chairs conveyed us to the terminus of the Hankow-Canton Railroad, where we were ferried over the river to the terminus of the Fatshan Railroad at Shek Wai Tong, where a special train was waiting to convey us to Fatshan, the terminus of the road. The cars and all the stations were decorated, firecrackers were set off at all of the stations as we passed, and at Fatshan a building had been erected and neatly ornamented specially for us to take tea in. For such a short visit it looks incredible that they should have expended so much money. The crowd was very great and it was with difficulty the soldiers were able to keep the way clear for us. The locomotive had to go very slowly in leaving, to avoid running over people. We got back to the hotel at 7 p. m. A gunboat was sent to bring us from the railway to the Shameen. I forgot to write of the fireworks the first night of our arrival. A tower of bamboo poles about one hundred feet high had been erected from which they were set off. They had some pieces which were the best we had ever seen.

Sunday, Admiral Li, his wife and the Tartar General's wife gave a special reception and tea to our ladies. This was unique as it had never been done before. The men were also invited to meet the officials, but there was no mixing of the men and women. This would have been too radical. However, we were glad of even this break in Chinese old-time etiquette that the highest class ladies would meet the ladies of our party. Two of them wore the Manchu head-dress, which showed up conspicuously over the Chinese ladies' head-dress.

Sunday evening we attended church at the Medical College. A small room, but packed full of Europeans; had an English service; the singing of the hymns was very good. After the service we took dinner at Dr. Todd's house, where we met some of the missionaries, amongst them Miss Noyes, who has worked here over forty-two years in educational work. At the boarding school in this compound were two hundred and sixty girls from seven to twenty years of age. They have



CHAMBER OF COMMERCE RECEPTION AT FATSHAN, NEAR CANTON, NOVEMBER, 1910—THIS BUILDING WAS ESPECIALLY ERRECTED FOR THE OCCASION

graduates in most every province in China. This is a grand work. We also visited the Dr. Noyes school and the Theological Seminary, where they have thirty-two men preparing for the ministry and seventy others coming along in the various stages of educational advancement. Many Chinese ministers and teachers have gone out from this institution.

Monday morning I visited the Canton Christian College, four miles down the river, and on the Honan Island side they have a big tract of land and with the buildings they have and those under way they will be well equipped. The Chinese merchants are erecting two dormitories. Money is coming from America for houses for the teachers and the fees from tuition pay expenses, except the European teachers. From there I went to the Provincial Assembly building (just completed), where the members gave us a luncheon. This being the last public function we will attend in our official capacity, Mr. Booth said it was fitting that as I had the first word in the inception of planning this trip that I also should have the last word, so he called on me to say a few words to the Provincial Assembly. This address was well received and brought out appreciation from both the Chinese and Americans. I spoke as follows:

THE LAST WORD

"First I wish to thank my fellow-commissioners for giving me the privilege of saying the last word, as two years ago I took the liberty of saying the first word to the President of the Chamber of Commerce in Shanghai, which resulted in their asking the Canton and other Chambers of Commerce to join in inviting us to visit you. That invitation stated the object of our visit; first, to create a better feeling of friendship between the two nations, and secondly, to increase trade and commerce between us. While I appreciate that I am addressing a Legislative body, and that we are here strictly in accordance with the invitation, as commercial men and not politicians, we make this plain to you, as we did to His Highness, the Prince Regent, and to all who have entertained us.

"We feel sure that the first part of our invitation has been accomplished, as no party of purely business men has ever had such a reception in the history of the world, not merely

from merchants and officials, but what we consider the most significant, the reception has been from all classes, which has convinced us that from the highest to the lowest our reception has been sincere, and from the heart.

(Seeing that the Chinese did not bring up the immigration question, as they intended doing, therefore I omitted mention of it.)

"As to the second phase of our invitation, this will require time to develop, as trade and commerce grow slowly, but on our return to America, we will endeavor to interest our merchants to visit China with a view of extending their trade and we would especially ask your merchants to visit our country with the object of extending their dealings with us.

"In conclusion, we say to you that we will take home the most pleasant recollections of our visit, that will last as long as we live. We feel that what you have done has not been for us as individuals, nor even as representatives of the Pacific Coast, but as representatives of the United States of America, of which we are the humble representatives. We all unite in the confidence that peace, harmony and good will shall ever remain between China and the United States of America."

Hong Kong—We returned to Hong Kong the following morning and were invited by the Chinese Y. M. C. A. to a reception at their rooms which was a very pleasant affair, but for the President of the Merchants' Association bringing up the immigration question, as it affected trade not only in America, but in the Philippine Islands. He asked for a revision of the treaty, the modification of the exclusion act, and that merchants be allowed to go and come as we are permitted to go and come in China. Mr. Booth replied that at Canton I had gone into the question fully, and as my address had been published both in English and Chinese, he referred them to our statement as printed, as this represented fully the views of all the Commissioners. As far as we are concerned, this ended the discussion, verdict—"buried but not dead." The president of the Y. M. C. A. gave a fine account of their progress. They have over one thousand members. Their rooms are entirely too small, as their members are increasing daily. The following day they received a cable from New

York which stated \$75,000 would be subscribed if the Chinese gave \$25,000 to make \$100,000. They immediately wired acceptance, and the directors present subscribed \$13,000 on the spot, so Hong Kong will get a fine new modern Y. M. C. A. This being a British colony it seems remarkable that the money should come from America. Not only here but in the various large cities of China the money to make Y. M. C. A. possible has come from America. Next evening we went to a banquet given by Chinn Gee Kee, who is the head and front of the Sun Ming Railroad on West river. Forty miles are in operation and as many more are projected. He lived forty years in America and built the first railroad into Seattle. He raised the money to build the Sun Ming Railroad in America and altogether from Chinese, no Europeans have had anything to do with it, either in financing or operating it. All our Commissioners were present. Several addresses were made by Chinese, and Mr. Furth, in whose honor the banquet was given, spoke for the Commission. He said he had known our host intimately for over a quarter of a century and he conferred the very high title on him of being, "An Honest Man." The banquet was served in a Chinese restaurant in the Chinese style. The room was nicely decorated and all passed off very pleasantly. Mr. Ng Poon Chew delivered one of his characteristic speeches that brought the house down. After this entertainment our party began to break up, some going to Europe by way of Suez. About twenty men and women went to Manila and seven to Shanghai. Those going to Manila will spend one day in Shanghai, November 10th, when a last conference will be had with the Chinese, the remainder of the party will go to Japan, thence home on various steamers.

LETTER FROM ROBERT DOLLAR

Hong Kong, October 28, 1910.

Mr. Willis H. Booth,

*President Honorary Commercial Commission,
Associated Chambers of Commerce of the Pacific Coast.*

Dear Sir: Replying to your inquiry as to what I thought of Manila being the center of distribution for American

products in the Far East—This was my opinion some years ago, as I then decided to make my headquarters for the Far East in Manila, and to bring over four of my smallest steamers to engage in the Coastwise Inter-island Trade.

My first setback was when Mr. Shuster told me he could not give me permission, as the ships must be put in the name of a Filipino; but a few days later the climax was reached when I heard Mr. Taft tell the Americans practically that we were not wanted and that the Philippines were for the Filipinos.

So I left Manila the next day and opened an office in Shanghai, which has developed into a very satisfactory business. I visited Manila two years ago and found a complete change had taken place and Americans can now have an equal opportunity with the natives, and that we were wanted, and that we were not "*personae non gratae*."

Hong Kong is the great competitor, and as it has risen to the third seaport in the world's commerce, it is a formidable rival. The reason is not far to see: Because it is what shipping men call a "free port." I will confine my remarks to shipping, as I understand that best. A Free Port means that a steamer arrives with a cargo from a foreign port; there are no vexatious delays in entering; no custom house officials, no quarantine, and last but not least, no immigration officers to delay or bother you. The vessel arrives and begins immediately to discharge the cargo.

Now it is a great mistake for citizens of a seaport to think that they are not interested in what a ship has to pay, as in the end the dear public foots the bill. Mr. Humphrey's ship subsidy bill was shown to me last session and my opinion of it asked. He had doubled the tonnage dues. I said: "Shipping men are not interested, as they in the end did not pay it." He could not see it and I gave an illustration: If I was carrying freight from the Orient to America at \$2.00 a ton, and his bill imposed a tax on the ship of \$2.00 a ton, his contention was that the ship would carry it for \$2.00 and hand it all to the government. Instead, the ship owner would charge \$4.00, keep \$2.00, and give the government \$2.00 and the dear public would pay \$4.00 instead of \$2.00. When his bill was read in the House, this tonnage tax did not appear.

Probably a concrete case of Hong Kong vs. Manila might be the best way for you to understand the true conditions.

When in Australia last year I chartered the Bessie Dollar to bring a cargo of coal from Newcastle to Hong Kong, but it was required very much in Manila. As an inducement they offered me 1 s. and 6 d. (36 cents) a ton extra and offered to guarantee a discharge of six hundred tons a day, which I refused for the following reasons:

Stevedoring in Manila, 40 cents a ton; in Hong Kong 20 cents; dispatch in Manila, 600 tons daily; whereas, in Hong Kong, they discharged over 2000 tons a day. The facts are that the vessel arrived early Monday morning in Hong Kong and on Thursday noon 7000 tons had been discharged, the vessel swept out, lined up for general cargo, loaded 3500 tons and sailed at 8 p. m. on Saturday.

Seeing that an ordinary tramp steamer is worth \$200 gold, a day to the owner, the importance of discharging 7000 tons of coal in three and one-half days, or at Manila of taking twelve days and two Sundays, fourteen days in all besides the delay from customs, quarantine and immigration, and for Stevedoring, extra—

7,000 tons at 20 cts.....	\$1,400
10½ days at \$200.....	2,100
Tonnage dues or wharfage—	
About \$30 a day.....	420
Total.....	\$3,920

Wharfage in Manila, which consignees pay, is 90 cents a ton; lighterage on coal is 60 cents a ton, and to deliver from lighter to godown 40 cents, making 1 peso a ton; while in Hong Kong, lighterage on coal and delivery in godown is 45 cents a ton.

So the people in Manila have to pay \$3920 more for 7000 tons of coal than the merchants at Hong Kong. Now for Manila to compete, these charges must be met. That is as it appears to a shipowner. How it would appear to a merchant I am not familiar enough with the conditions to say. But it is reported that with the wharfage charges and cost of handling to the warehouses, it is much higher than the lighterage and carrying into the godowns in Hong Kong.

Another serious drawback is the time occupied to carry mail to and from San Francisco to Manila, via Japan and China. There is no nation having a possession like the Philippines that does not have a regular, fast, direct mail service. This is a disgrace to us as a nation.

As to a Merchant Marine, which I claim is a necessity to develop trade, I expect we will have to continue to build our ships in Great Britain as we are doing at present, pay for them in American money, and fly the British flag. If we ever get into war,—the day of reckoning will come, and our politicians will get a rude awakening.

ROBERT DOLLAR.



TECHNICAL DEPARTMENT BUILDING—SHANGHAI
Showing the Progress of Education in the Celestial Empire



THE PALACE HOTEL—SHANGHAI
An Indication of the Advancement of Architecture in China

SHANGHAI.

WE spent ten days in Shanghai. Nearly the entire party proceeded to Manila, calling at Shanghai, November 11th, thence proceeding on the "Manchuria," some for home, others for Japan.

While here we had dinners and luncheons in our honor every day. The most notable affair was at the residence of Choa Chew Kuan, at which the ladies of the family and others were present. It was out of the usual, therefore we enjoyed it very much. Among the men present was the President of the Kiangsu Provincial Assembly, the Governor of Mukden, Manchuria, and other notable Chinese. We had met the President of the Assembly at Nanking and although he could not speak English, through an interpreter we had a very interesting discussion on constitutional government, which is the all-important subject before them at the present time and they are all very anxious to learn from us all we know about the various branches of legislation. To some extent they are in the dark as to exactly what they will ultimately do. They are working out the rules of procedure, both for the Assembly and Senate, but the exact relationship between them has not been determined. But a much more important subject on which there are various opinions is the exact relationship between the Emperor and Senate and the Grand Councilors. A great many holding high positions will have to step down and out to make room for the constitutional government, as when it is in complete working order the day of the officials is done. That is, the officials as constituted at present and only understood by Chinese themselves. As I am free to say that I can't understand why so many are employed and what a great many of them do to earn the money or squeeze they get, in most cases the salary they receive is inadequate and it has to be made up by what can be got on the side. The men are not to blame, but the system is, so if they get constitutional government (I mean the genuine article) all will be changed.

In China this is more difficult of realization than foreigners imagine. The feeling between the officials and merchants is

not very friendly, and I can distinctly see the breach has been widened between them very much of late. This visit has brought out this fact very prominently. Two days before leaving Shanghai I gave a banquet at the Palace Hotel to twenty-four of the principal merchants of Shanghai and other cities. One of the guests in a speech said that there never had been such a party together in China before. The presidents of the following Chambers of Commerce were present: from Shanghai, Canton, Hankow and Tientsin, the four largest commercial cities in China. Three others were represented by their vice-presidents. The distance between them was two thousand miles, and they had never collected before. At this banquet they decided to form the Consolidated or United Chambers of Commerce, so that all of them could act through a central organization in Shanghai. So if our visit to China had not done more than to accomplish this we are well repaid. This is the first and most significant move towards a United China. I did not invite any Americans, as I wanted my guests to be free to discuss matters that they would hesitate to do if strangers were present, so we had a very full and free discussion, not only on matters commercial, but political as well. In this connection it developed that Manchuria is giving them a great deal of anxiety and serious thought, and the significance of it was that men from the distant parts of China agreed on the seriousness of the situation. The integrity of China is ever before them. I made a short address in the following words:

ADDRESS BY ROBERT DOLLAR AT BANQUET GIVEN BY HIM
TO MEMBERS OF THE CHAMBERS OF COMMERCE
OF CHINA, AT SHANGHAI

On behalf of the Commercial Commission, it gives me great pleasure to welcome so many of you here tonight. Such a representative body of merchants from so many different provinces, from Chili in the north to Kwang Tung in the south. It is a great satisfaction to me and it must be to you to know of the great success of our visit to you. I see that in the Japanese papers it is now admitted that our visit has greatly increased the friendship between the two nations. But what we will discuss at the meeting next Friday will be the

final means to increase the trade between our nations. I wish to call your special attention to the reciprocal aspect of the case; for our trade relations to be lasting we must have free exchange of commodities. We must buy your products and you must buy ours. From a shipping or transportation point of view it comes more forcibly home to us, for if we come to this country and load our ships with your freight and you do not buy sufficient from us and we have to bring our ships from America empty, then we must charge you almost double freight; and, therefore, you are as much interested as ourselves in furnishing cargoes both ways. The following will all help our commercial relations:

1. The loaning of American money to your government.
2. The formation of a Chinese-American bank as proposed.
3. The establishment of exhibits in both countries with a competent man in charge.
4. The establishment of your merchant marine in the foreign trade.

All those things will help, but the most essential of all is for your merchants and ours to visit each other's countries and get acquainted and study each other's wants, and in no way can this trade be developed as by the individual efforts and energy which is essential to the development of our commercial relations.

Immigration—I did not intend to mention this subject, but as my friend, the President of the Canton Chamber of Commerce, His Excellency Chang Pat Sze, Assistant Minister of Commerce, has brought it up, I must reply. But I cannot say more than I said in my address at Canton before the Provincial Assembly as published in all the Chinese papers. I can assure you that any bona fide merchant or student will have no trouble in landing.

I ask you to drink a toast, which at this time I consider appropriate, as I am addressing gentlemen from all parts of China: "*A United China.*"

Mr. H. E. Chow, who answered my remarks, was interpreted by Mr. Chu Li Chi. He said he could not tell me how

much they appreciated my visit at this time, knowing that I had but recently returned home; but, at their urgent request by letter and cable I had consented to leave my home comforts and business and again cross seven thousand miles of ocean to meet them, and to assure the success of the visit of representatives of the Pacific Coast.

He also stated that they appreciated what I had done toward the promotion of friendly relations between America and China, as well as toward increasing commerce between our nations. In conclusion, he wished Mrs. Dollar and myself a safe and pleasant passage home, and long life and prosperity. So ended the most interesting and instructive meeting I have had in China. The results will be far-reaching if it is for nothing more than the formation of the Combined Chambers of Commerce of the Empire of China. It was arranged to meet in the large banquet room in the Palace Hotel on arrival of the steamer "Manchuria" at 11 a. m., November 10th.

FINAL CONFERENCE AT SHANGHAI

Our party arrived on the "Manchuria" from Manila at 10 o'clock, but only a part of them got to the meeting at 11 o'clock, although the Chinese were all in attendance before the steamer arrived. As neither president nor vice-president were present I could not wait any longer, so called the meeting to order. Mr. Moore arriving shortly after, I asked him to preside; and following a prearranged plan, I asked H. E. Chang of Canton to act as joint chairman, with Mr. Moore.

This was a fortunate stroke, as he is a very distinguished man and had come from Kwang Tung Province, in the extreme south, and also on account of the immigration troubles. I outlined the various subjects that had been under discussion from time to time during the past week at the various meetings, at which H. E. Shen Tun Ho was the moving spirit.

The subjects for discussion, were:

1. Bank, one-half Chinese capital, one-half American.

Half of the capital, three million taels was subscribed by the Chinese. Our committee on banks agreed to submit a report to the bankers on our side.

2. Exhibits in China and America.

It was approved and will be submitted to our Associated Chambers of Commerce at the January meeting.

3. Exposition at San Francisco in 1915.

It was decided that the Associated Chambers of Commerce of China would ask the government at Peking to take action and ask our government to have it on the Pacific Coast.

4. Reciprocity.

Reciprocity was discussed and made very plain to all, that each country must buy from the other. Trade to prosper cannot be one-sided.

5. Merchants of both countries to visit each other.

With the above object in view merchants must visit each other's country for the purpose of becoming acquainted, so that trade may be increased.

6. Building of a steamer, one-half capital from each country, to fly the Chinese flag.

The building of a freight steamer, one-half the capital to come from Chinese and Americans, to fly the Chinese flag. The Chambers will take this up with the Minister of Commerce and see what the laws are, and with the Minister of Communications to see what inducements he would offer.

7. Uniting the Chambers of Commerce of China.

The Chambers represented reported that last night the Combined Chambers of Commerce were formed to take in all China, with headquarters at Shanghai. This is the first time the people of the various provinces, so far apart as Manchuria or Chili, would act together or in unison. This produced a great deal of enthusiasm.

The Shanghai Secretary, Chu Li Chi, read the report of the committee composed of different chambers.

QUESTIONS BROUGHT UP FOR DISCUSSION BY
THE CHINESE CHAMBERS OF COMMERCE
AT THE CONFERENCE

I.—BANKING CORPORATION SCHEME

TO start an American-Chinese Banking Corporation with a capital of 6,000,000 Shanghai taels or Mexican dollars, half of which to be subscribed by Americans and half by Chinese and to be registered at Washington and Peking, under American ordinances with its head office at the most desirable port on the Pacific Coast. The said bank, besides doing its regular business in ordinary mercantile loans against delivery orders, etc., can also be the agency of the Chinese government loans for the construction of railways, organization of industrial enterprises and development of resources; it may also extend its business in the nature of a loan and trust company should circumstances permit of it. As China at present needs capital for developing her resources, the rate of interest in the Orient is higher than it is in the Occident. Owing to the system of our government, and the uncertainty of our banking laws, the wealthy Chinese and high officials would rather entrust their deposits with foreign-registered banks than with Chinese banks. In view of these facts, there are enormous possibilities for profit in starting such a bank, and without the possibility of loss, if placed under the control of honest experts. The matter, however, will be more fully discussed at the meeting.

2.—ESTABLISHMENT OF EXHIBITION HALLS

With a view to promoting trade between America and China it is desirable that the American Chambers of Commerce will provide a hall (at such port along the Pacific Coast where they see fit for import from China) for the exhibition of all the Chinese products which will be sent from time to time by the Chinese Chambers if they deem it expedient. The said hall with the supervision and assistance of the American Chamber to be managed by English-speaking Chinese, whose

duty would be to give information and answer all questions regarding the products. The manager would also attend to the correspondence, and from time to time issue reports concerning business conditions and the markets in China and the United States, thereby keeping the Chambers of Commerce of the two nations in close touch and well advised. On the other hand, the Chinese Chambers of Commerce to provide a similar hall, say at Shanghai, to be governed and managed in a similar manner.

3.—APPOINTMENT OF COMMERCIAL DELEGATES AND CANVASSING AGENCIES

For the furtherance of trade between America and China it is advisable to mutually send commercial delegates as canvassing agencies for the two countries. The American delegate will stay in China with his headquarters, say at Shanghai, and the Chinese Chamber of Commerce to provide him with an English-speaking assistant, an office and letters of introduction. His business would be to travel with samples of American products from port to port for advertising and for securing orders from industrial merchants. The Chinese delegate should stay in America, with headquarters at the most desirable port along the Pacific Coast, and his duties to be similar to those of the representative in China, and similar treatment to be accorded him by the American Chambers of Commerce.

These are practical suggestions which can be carried out economically with great success. We hope that the American Business Commissioners will give them their favorable consideration and take prompt action.

PERMANENT COMMERCIAL MUSEUM

Mr. K. P. Chew, of Nanking, spoke on behalf of the Exposition, as follows:

"When the Commissioners were in Nanking last month this subject had been roughly discussed and met with general approval among our merchants as well as the representatives of the Exhibitors' Association. Later on, the subject was

again brought before the public by His Excellency Sheng Tun Ho. His articles in the local press at Shanghai and other ports have not only drawn the people's attention, but created a desire throughout the Empire. It is now universally recognized that an institution of this kind and properly managed would go a long way to promote the commercial relations of the two countries.

"The visit of the members of the Associated Chambers of Commerce of the Pacific ports to China is an epoch-making event in the history of commerce. Through their visits to our cities, they have gathered whatever facts that are necessary for their purposes. On the other hand, our merchants have, through their personal contact, acquired also valuable information from them. It is a mutual proposition, but it lacks a permanent character. The International Commercial Museum would maintain not only what has been accomplished, but it would gather further information about the market and serve as a medium to promote commerce.

"The scope of the institution must be broad. Several museums must be established in China and in the Pacific ports. In the museums there should be a complete exhibition of products, etc. There should be a *Bureau of Information*, where general information and specific information can be obtained by the merchants as well as interested parties. There should be in each country, and in respective language, a newspaper as the origin for the development of American-Chinese commerce.

"The organization for administration of the museums should also be international. There should be a central board, whose members are composed of half representatives of American Chambers of Commerce and half of these of Chinese. By so organizing the uniformity may be obtained."

Luncheon was then served in the same room, but we had been so interested and taken so much time discussing the various subjects that we had not time to finish lunch, besides speeches were being made all the time we were eating. We had to hurry to the tender and arrived exactly at 1 p. m., the time set for sailing. We immediately got on board and

sailed. The entire party and a great many friends were there to see us off, including all the Chinese who came in a body to say good-bye and wish us *bon voyage*. Everyone, Chinese and Americans, were delighted at the great success of our visit, from which we hope to derive great results.

GENERAL RESULTS OF THE VISIT

NOW that the trip, or rather the visit, is over, we can sum up the results. First, as to creating a better feeling of friendship between the two nations, this has certainly been accomplished, as it would have been impossible for anyone to have given us the reception we got all over China without being extremely friendly to us because we were Americans and represented our country, not because of us, as individuals, or as representing any particular locality, as they neither knew many of us as individuals or our particular locality, but only because of the nation we represented. And while our trip was commercial and not political we could see a great deal of the latter injected into it by our hosts at all the different places we visited and seeing the great diplomatic game that is being played in Peking, in which America for the first time seems to be taking an important part. It looks as if our visit at this critical time was opportune and of great benefit and advantage to our country, politically, although it never was intended as such.

In studying closely the various incidents, and the international relations of the Chinese, it becomes more apparent to us who have been on the spot and have had the opportunity of conversing with those at the head of affairs and getting some inside information, by which we are lead to expect stirring times in China, politically as well as commercially. What we have accomplished in the latter can not be told at present, as it will take time to develop. We have learned, however, that our success in developing trade will depend to a great extent in our ability to interest our merchants at home in this trade, which can only be increased and developed by either the principals or their best men personally investigating. No other way will ever produce great results. We are all perfectly satisfied that by this method a great expansion of our com-

merce can be secured, both in imports and exports. It looks as if our exports will take more effort, as the European competition is very keen, but we have met nothing to discourage us, but a great deal to encourage us in accomplishing the desired end.

GENERAL SUMMARY OF REPORTS ON TRADE AND COMMERCE

SHIPPING

AMONG other reports made by Mr. Dollar, he calls the attention of the American people to the absence of American ships in the foreign trade. It is an old saying that trade follows the flag. If that was literally true we would be down and out, and under present conditions it is a wonder that we are able to hold even the small trade which we have. In the employment of foreign ships to carry our merchandise it must be kept in mind that the officers and crew are all drummers for their own country and never miss the opportunity of explaining to our customers that the cargo they carry from America could be bought cheaper and better in their own country. We are much in want of direct mail and freight communication with China, as at present all the mail steamers call at the various ports of Japan before going to China. To do much trade with China we must have direct and frequent communication. This can only be done by our government and the Chinese government paying a compensation for carrying the mails, such as other nations pay. We submit this to both governments for their serious consideration. If we expect to increase and perpetuate our commerce we must have both American and Chinese freight steamers to do it, otherwise the trade will go to our more enterprising competitors. In this connection we would call the attention of Congress to the fact, that mails and passengers from the Pacific Coast to the Philippines, are first carried through the principal ports of Japan and China before they finally reach Manila. No other nation having dependencies of the importance of the Philippines but has direct and fast mail communication.



TAOTAI SHEN TUN-HO

Head of the Red Cross, Manager of the Imperial Bank, and an
All Around Man of Affairs

LUMBER

China imported from the United States 131,000,000 feet in 1908 and 91,000,000 feet in 1909. If the proper efforts were put forth this amount could be very much increased. Although the competition from native woods is keen, as they can be produced cheaper, the quality generally is not so good.

The principal supply for North China comes from the Yalu river, the boundary between Korea and Manchuria. The timber from this region is of a very good quality, resembling the white pine of the Eastern States. It is all hewn square in the woods, running from twelve inches to thirty inches square and from twelve feet to thirty feet in length. It is rafted and brought long distances from the interior to Antung or Tatangow, where it is loaded into junks or steamers of high draft, as the bar at the mouth of the river only has twelve to fourteen feet of water on it at high tide. The principal market is Tientsin and Peking. Chefoo, Larien and Newchang also take large quantities. The total shipments run over 200,000,000 feet a year. The Upper Yangtse supplies a large amount which is distributed to all the cities along the river. Some of it comes 2000 miles in large rafts, which are run through the rapids and gorges of the upper river. Shen Fuchow produces a great quantity of what in the market is called Fuchow polise. The logs run from twelve feet to thirty feet in length and from four inches to ten inches in diameter. They are also rafted down the Min river to Pagoda anchorage, ten miles below Fuchow, there loaded in large junks and carried to all the large cities of Southern China. Great quantities are sold in Shanghai. The junks carry the largest deck loads of any vessels in the world; an ordinary load is fourteen feet high and overhangs on each side of the vessel sixteen feet, thereby making the freight rate extremely low. On the ground where these poles are cut the land is immediately replanted, and re-cut when they are from fifteen to twenty years old, so that the supply is practically inexhaustible, and competition from this source will be lasting.

COAL

At the present writing only three districts are producing coal in quantities, namely, the Fung Shang mines, near

Peking, the Tong Shang mines, owned by the Chinese Engineering and Mining Company, and the Long Shang mines, owned by the government, all in Chili Province. On the Yangtse river are the great Ping Shiang mines in Kiangsi Province, operated by the Han Yang Ping Coal and Iron Company. The entire product goes to Hankow. It is a good coking coal and a great number of coke ovens are in operation. This mine is connected with a sixty-mile railroad to waters tributary to the Yangtse, where the coal and coke is transhipped to light-draft boats and carried to Hankow.

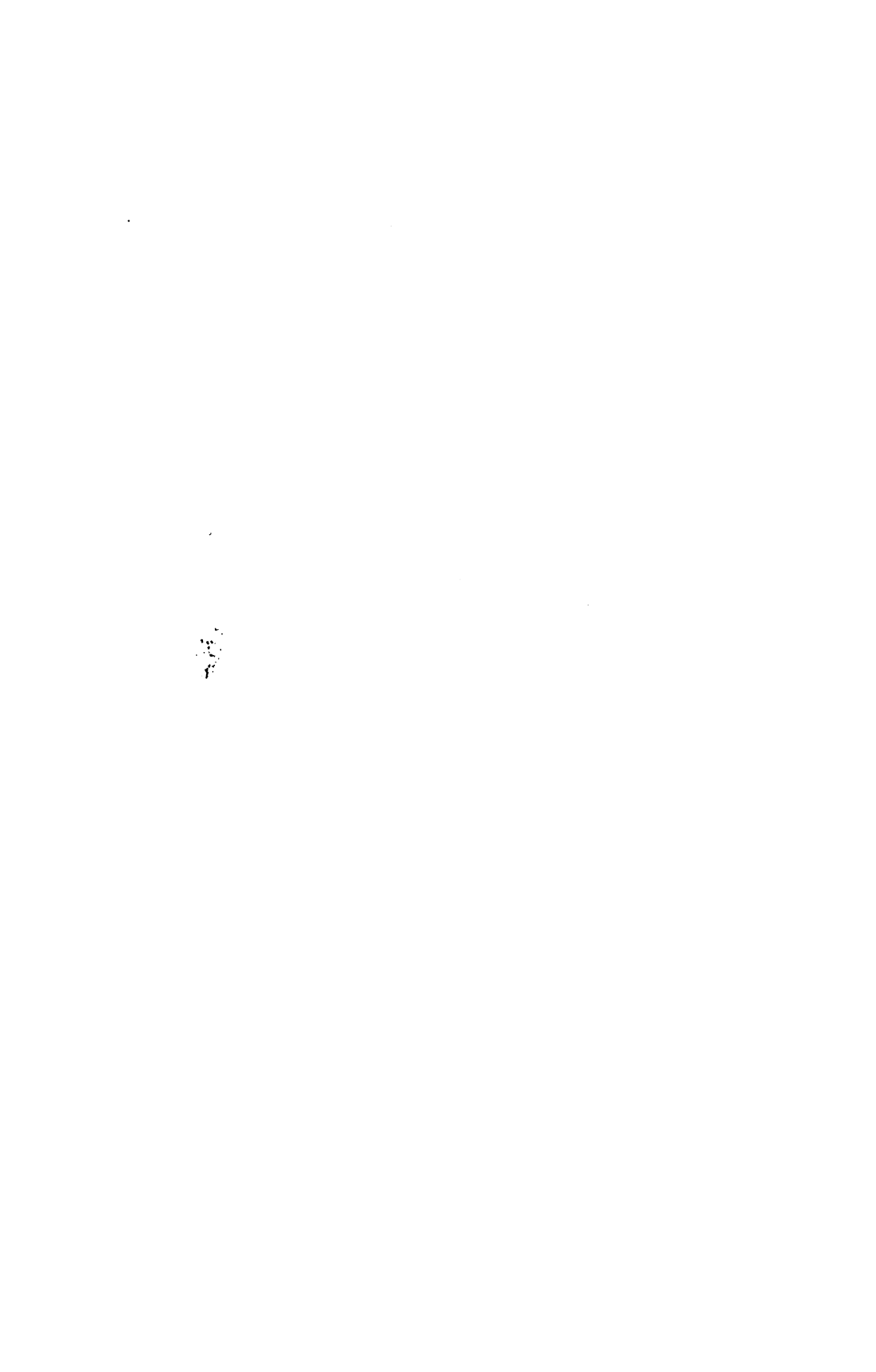
In addition to the above mines that are worked by modern methods, there are a number of mines in Shansi and Honan worked by the Chinese, but in a most primitive manner, their products being sold locally and delivered in baskets carried by men. As to the quantity of coal in China many reports have been made on it and all agree that there is more coal in China than all the rest of the world put together. Shansi, Honan and Szchuen are all rich in coal and it is all there yet, as it has not even been prospected. No country offers this opportunity for coal mining, and the possible wealth to be derived from this industry alone, is incalculable.

Then there are the German mines in Shantung province, in which considerable development has been done, but they have not exported much yet, the product being used locally. The Peking Syndicate have mines in operation in Honan that promise to be big producers. Their product up to the present time has also been used only locally.

It is a remarkable fact, but very difficult to comprehend, that China imports over 1,500,000 tons of coal a year. This information is taken from the customs reports.

MANUFACTURES OF IRON AND STEEL

The only plant in China is the Han Yang Iron and Steel Co., near Hankow. This plant has been running in a small way for twelve years, but during the last few years it has been greatly increased, and now has a capacity of 500 tons to 600 tons a day of pig iron and about 200 tons of steel. Under the present able management of Sheng Kung Poa as president and V. K. Lee as general manager, it can now be considered as a great success. It is modern, up-to-date in every respect,



and, of its size, is as good as the best in any country, having its own iron mines, coal mines, coke ovens, steamers and barges.

With the exception of a few technical men their entire staff is Chinese and they have succeeded in getting Chinese to manage the details of the plant as creditably as any iron works are managed in the United States. Their product is disposed of in China, Japan and the Pacific Coast of America. During 1911 the latter place will take 20,000 tons of foundry pig iron and 40,000 tons of basic pig iron. So the United States is their best customer, but there is great room for expansion. We commend the iron industry of China to the careful consideration of those interested in America.

REPORT ON IRON AND IRON ORE

Iron ore has not been much looked after in China, and the only mine of any importance that is worked is the Yah Yei mine in Hupeh Province, about sixty miles down the Yangtse River from Hankow. It is fourteen miles from the river and is connected by a very good standard-gauge railroad, which carries ore to the river bank. At Soui Yow, where it is stored until shipment is made, vessels drawing twenty-four feet of water can lay alongside the pontoons and load cargo for any part of the world eight months in the year; the remaining four months the water falls too low for vessels of over twelve feet draft.

This mine is a mountain of hematite ore five hundred feet high and is worked as a quarry. The ore is very low in sulphur and runs from 65% to 67% of metal-iron. At the present time no mine is worked to any extent except this one. The output is as follows:

For the Han Yang Iron Works, the	
owners of the mine, about.....	300,000 tons
For the Japanese government.....	100,000 tons
To be shipped to America.....	100,000 tons
<hr/>	
Output per annum.....	500,000 tons

Large deposits are known to exist along the Yangtse River, especially in Szchuen Province. Deposits have also been

found in Honan, Chili, Fukien and Quantung provinces, but they are only outcroppings, as no development nor prospecting work has been done. In iron ore China is reported to have more than any other nation, and within the next ten years there will be a great development of this industry.

REPORT OF ROBERT DOLLAR PUBLISHED BY SAN
FRANCISCO PRESS AFTER RETURN
OF COMMISSIONERS

I WISH to say that this trip has been a complete success from start to finish. In the invitation which the Chinese sent us nearly two years ago, two objects or reasons for inviting us were specified—one was to create a better feeling of friendship between America and China; and the other, to increase trade and commerce.

The first part has been accomplished, as no party of business men ever got such a reception as was given us. The Viceroy of five of the principal provinces received us at their various provincial capitals, Governors of the provinces, Tao-tais of every city (corresponding to our Mayor), and at Peking by His Imperial Highness, the Prince Regent, told us that there never had been so many foreigners (24) received at one time; in fact, it is quite unusual to receive merchants, and we made it plain to him that our visit was not political and that we were just ordinary American business men. The various Ministers gave us banquets, luncheons and receptions until we were about worn out. The newly formed Senate gave us a great banquet, where we met men from every province, all anxious to learn from us what they could about our form of government, as they desire to pattern their new constitutional government as much after ours as possible.

In all the provincial capitals the Assemblies gave us banquets; at Nanking they received us in their assembly room, which was not quite completed, and this was the first meeting ever held in it, and strange to say, the first sound other than that of the workmen, was the "Star Spangled Banner," played by the military brass band. The President of the Assembly proposed the toast, "The President of the United States." When the Viceroy at this place gave us a reception, he had two regiments of infantry lining the streets and courtyards of his yamen, with two full military brass bands. At Hankow a banquet was provided for us at the Chinese Race Club, at which the fireworks were the best we had ever seen. The crowd at this place was estimated to be over

75,000 people, who remained on the ground until we left after midnight, when they had to walk back to the city, a distance of three miles.

Space will not permit an account of our reception at Tientsin, Chefoo, Foochow, Amoy, Hong Kong and of the great naval reception at Canton, which was the best in that line.

We visited the great iron and steel works at Hanyang and saw a modern, up-to-date plant. We also visited their iron mine, a solid hill of hermatite iron ore 500 feet high, which they are working as a quarry. There is enough ore in sight to last 100 years. This is the only iron works and iron mine that is worked in China. Experts claim that there is more coal and iron in the Yangtse Valley than in all the rest of the world. The reason the mines have not been developed, are, the superstition that if they opened mines the evil spirits would come out, which effectually prevented any mining or even prospecting; and now that this has been overcome, they lack money to develop their resources. Iron and coal are not the only minerals, as there are great outcroppings of copper. But, ignoring all other minerals, any country that has an abundance of iron ore and coal, with any amount of cheap labor, all within reach of ocean-going steamers, has the means of becoming the greatest commercial nation of the world. As to the commercial results of our visit, it will take time to determine what has been accomplished. One thing, however, is necessary, and that is to get our manufacturers and merchants interested in the great trade that can be developed, and to go to China and investigate and study the conditions for themselves. They will find the Germans and English already on the spot, hence the reason they are doing the business. All the large installations of machinery we saw were either German or English. Our merchants will find the Chinese more friendly toward us than toward any other nation, and extremely anxious to do business with us. So our prospects are as good, if not better, than those of any others, provided we go after the business in the right way, and sell at competition prices. We are very much handicapped for want of a merchant marine, as our competitors have a decided advantage over us by having their own vessels to deliver their merchandise and carry Chinese products to their home

country. One of the results of our visit, (on our suggestion), was the consolidation of all the chambers of commerce in China into one central organization in Shanghai, making it the strongest commercial organization in the world.

ROBERT DOLLAR

(From the Chinese Students' Journal)

In a recent number of the "American-Asiatic" an article on the subject of our sketch was called a "trade builder," and following is what they said:

"If there is one man on the Pacific Coast more than another who is worthy of the praise of his fellowmen for the interest he has taken in their welfare by trying to induce them to seek a profitable trade with the Orient, that man is Robert Dollar, president of the Robert Dollar Co. of San Francisco. Not only has he built up a successful business with the Orient for himself and the company of which he is the presiding officer, but he has given his time and money in the interests of others whom he desires to seek these foreign markets.

"No American is more respected nor more trusted by the Chinese in the ports where he is known than Robert Dollar. And when, two years ago, with a view to increasing the commerce between the west coast of the United States and China, he induced the chambers of commerce of the treaty ports to issue an invitation to the Associated Chambers of Commerce of the Pacific Coast to send a party of representative business men on a visit to China, he virtually completed the arrangements which will result in the present trip.

VISIT PROPOSED TWO YEARS AGO

"Although it was designed that the American merchants should visit China two years ago, the trip was later postponed so that they would reach China while the Nanking Exposition was in progress. As this is the first exposition to be held in that country, it was believed it would prove interesting and instructive to our representatives by giving them some idea of the manner in which the Chinese carry on business, as well as the interest with which the natives view modern commercial methods of exploiting goods for the markets of the world.

"Mr. Dollar was the first one to see the advantage of introducing pig iron in the United States, and after years of strenuous effort and expenditure of money, he at last succeeded in building up a large and profitable trade in this line between China and the west coast of the United States. More recently he introduced Chinese iron ore and in those two commodities it took seven large cargo steamers this year to transport the amount sold in America. And the end is not yet, as the demand is rapidly increasing and a 9000-ton steamer is now building in Scotland for his company to engage in this trade. Various other Chinese products have been introduced by his enterprise. Oak logs were first imported by him from Japan to America. This trade has also grown to large proportions. The recent visit of the American Commissioners from the chambers of commerce is the result of his untiring energy. The success of this visit is phenomenal, as from the Prince Regent down they were received with the highest honors from official merchants and all classes in every city they visited. The getting up of this party will stand as a lasting memory to the Chinese nation for having produced a better and stronger feeling of friendship between the two nations, the beneficial effects of which are already visible. In the end increase of trade and commerce will follow. His example should stimulate our young men to renewed efforts and energy to go and do likewise."

GENERAL REPORT OF THE COMMITTEE ON TRADE AND
COMMERCE

We find that the imports into China from all	
countries for 1908 were.....	\$248,538,000
For 1909 were.....	<u>263,666,000</u>
An increase of 6 per cent.....	\$ 15,128,000
While the imports from America stood,	
For 1908.....	\$25,984,000
For 1909.....	<u>20,541,000</u>
A decrease of 21 per cent, or a falling off of.....	\$ 5,443,000
Exports in 1908 to America.....	\$15,009,000
Exports in 1909 to America.....	<u>20,440,000</u>
An increase of 36 per cent, or.....	\$ 5,431,000

So that our sales to China have decreased 21 per cent, but our purchases from China have increased 36 per cent. Our sales to China in 1905 were 48,500,000, while last year they were only 20,500,000, a decrease of about 42 per cent; illustrating the old saying that trade follows the flag, as American ships only carried last year nine-tenths of one per cent of the commerce of China.

These figures bring out very forcibly the fact that we are buying more from China than they buy from us, and while their trade is increasing with other nations their purchases from us are rapidly decreasing. The question which has occupied the minds of the commission is how this state of affairs can be changed. The conclusion we have come to is—for our merchants and manufacturers to send their best men to China to work up trade, or better still, for the principals of the firms to go and make a personal investigation first, and, taking plenty of time, to thoroughly understand the conditions, then if they decide that a profitable trade can be carried on, send the best man they have to work it up. We cannot too strongly recommend this, as the possibilities are unlimited. Please keep in mind that in going to China you are going to over one-quarter of the inhabitants of the world, and as they are just changing from the old to the new way of doing things, now is the opportune time. Other nations appreciate this far more than we do; for instance: France, Germany and Japan each subsidize a line of steamers flying their own flag to engage in the coastwise trade between the Chinese cities of Shanghai and Hankow, not to speak of the subsidies they all pay for a direct mail service from their countries to China.

That is how much they value the trade of China. Our country takes no interest in this, as to get a letter to or from China it has to pass through three Japanese ports—and the deplorable fact is that in the early days of the navigation of the Yangtze river, Americans had all the trade, as all the steamers on the river were under the American flag; now there is not an American steamer on the river. To some of you the name of this river and our former prestige on it may not appear important, but when we say to you that one-sixth of the human race lives on this river and its tributaries, we hope you will see the importance of it, as we have by personal

examination. As an illustration as to whether the trade is of sufficient importance to go after—we found that no country in the past ten years has progressed as China has, and it is difficult to keep informed of the rapid changes that are taking place. Fifteen years ago they had ten miles of railroad, now they have six thousand miles; eight years ago the postoffice handled twenty-two million pieces of mail; last year it handled two hundred and seven million pieces. China has adopted a constitutional form of government, our style of education, and reforms too numerous to specify here. The postoffice and the railroads are about the best barometers of trade, so the above figures are significant. Another example of the rapid development—three years ago soyo beans had never been exported to Europe, this year they expect to export 1,250,000 tons, valued at \$37,000,000; sesimum seed was unknown five years ago, this year Hankow will export over 200,000 tons of this valuable grain, bringing into the country practically over \$12,000,000. None of these products went to the United States.

From our observations on this trip, we cannot overlook the important part missions have played in the development of trade in China. Unless they had pioneered and opened the way the foreign trade would be a very negligible quantity. In this connection the thousands of Chinese young men who received their education in mission schools—many of them that we met occupying high places in government and commercial positions—bear testimony to the great amount of good that missions are doing in the modern development of trade and commerce.

In view of the foregoing, we make the following recommendations:

First. It will only be by the individual personal efforts of our merchants that we will get our fair share of the commerce of the Pacific.

Second. We respectfully demand of our government a change in our navigation laws and inspection regulations so as to permit us to use American ships in the development of this great trade, as without ships our commercial development is hopeless. If they will not assist, then the least they can do

is not to hinder and prevent us from getting our fair share of it—encourage, but do not discourage us.

Third. And further, we would endorse and recommend our Government's policy of the open door and the integrity of China as essential to our best interests and the development of our commercial relations.

ROBERT DOLLAR LEAVES FOR ORIENT ON S. S.
"SIBERIA," OCTOBER 4, 1911, AS SPECIAL DEL-
EGATE OF THE ASSOCIATED CHAMBERS OF
COMMERCE OF PACIFIC COAST, AND THE
PANAMA-PACIFIC EXPOSITION CO.

DESCRIBES IN LETTERS INCIDENTS OF VOYAGE, AND RESULTS
ACCOMPLISHED

ON the voyage from San Francisco to Japan and China, as on all trans-Pacific steamers, there is very little of importance to report. Of the notables on board, we had an English Earl, a Japanese Baron, and a French Count and Countess, and over thirty missionaries. The Baptists had a party of twenty going to various parts of China; and there were the usual number of globe trotters (American) but only a very few business men, showing that the Far East is looked on by the American as for sight-seeing rather than as a place to develop business.

I noticed more drinking by men and women, this trip, than I have seen for some time. This emphasizes what I have long thought: that the Cunard rule that captains and officers should not be required to sit at the tables with passengers, especially where drinking is going on, is a good one.

Forty passengers left at Honolulu; more than half the balance left at Yokohama. The ship was very light, having very little cargo, in marked contrast with the excessive demand for tonnage from Columbia River and Puget Sound.

After leaving Yokohama for Kobe, I was reminded that we were on one of the world's highways from the great number of tramp steamers we passed going in all directions.

On this trip we had more than the usual number of lectures and entertainments. The first we had was an address on International Peace, participated in by Baron Sokatana, Japan's Finance Minister, who was returning from the Peace Conference held in Berne, Switzerland, so he was well prepared and equipped to talk on the subject. H. C. Tan

represented China. He is returning after having convoyed and placed in American schools the seventy Chinese Indemnity students. Both papers which they read were very good and contained much interesting information. On behalf of the United States, I spoke from notes.

After leaving Honolulu, we had an evening on Old and New China at which I presided. Mr. H. C. Tan read a paper, and Mr. Price, a returning missionary, gave a very eloquent address on the religious progress made by New China. Mr. Tan spoke on the educational improvement, and I reviewed the material advancement after showing what great works were done twenty-five hundred years ago and the tremendous progress made during the last ten years.

Sir Archibald Williamson gave us a lecture on South America, on which subject he is complete master; it was both interesting and instructive. I presided at this meeting. All the meetings were fully attended by a very appreciative audience.

Then we had a vaudeville show, fancy dress, games and sports, so that the voyage was a very enjoyable one, coupled with nice, warm weather and a smooth sea.

On Sunday we had two religious services which were also well attended.

At Yokohama we got news of the rebellion in China. The Japanese are very much interested. On the way to Kobe, we had a discussion on this subject. I gave my ideas in a short address. Two missionaries and one Chinese, also, talked. At Yokohama and Kobe I saw considerable improvement going on in the harbors in the way of providing wharf accommodations for steamers. A great deal will have to be done yet before anchoring in the harbor is given up and cargo moved by lighters as at present.

Whenever we reached the Japanese coast, it was very plain to see that we were on the path of the world's commerce, as we were never out of the sight of steamers coming and going in all directions, and looking at it from past experiences, the increase and advancement is very great and constantly increasing. This was especially noticeable in going through the Inland Sea. From a very casual glance at the country I could see many new factories of various kinds either newly erected

or in the course of construction. Evidently the protective tariff is making its presence felt. They are in the midst of the rice harvest which appears to be very good and means so much to Japan.

The increase in the Japanese Merchant Marine is quite noticeable, showing that the liberal policy of the government has produced the desired results.

ADDRESS ON THE PANAMA-PACIFIC INTERNATIONAL EXPOSITION
AND ITS RELATION TO INTERNATIONAL PEACE

The primary object of the Exposition is to give the nations as well as individuals an opportunity to show their wares and merchandise to the nations of the world and thereby increase their trade and commerce; also to bring people from every land to see and know what others can produce cheaper than themselves. There are also many who visit expositions for pleasure and to meet those from foreign countries who come either for business or pleasure, so that the meeting place gives them the opportunity of getting acquainted, and nations are by this means drawn closer together.

The aim of the managers of the Exposition is to get the best Oriental exhibit that the world has ever seen—principally from Japan, China, and the Philippine Islands—and by so doing, those countries will all be drawn closer to the United States, and it is in this way that international peace will be accomplished. The first principle of trade is to get acquainted and become friendly with those with whom you trade. In this connection I would call your attention to the beneficial results attained by the visit of our commercial representatives to Japan three years ago, and by your representatives, headed by the Grand Old Man of Japan, Baron Shibasawa, making a return visit to the United States. Therefore, I claim friendly relations precede commerce, and commerce binds the nations together; but war destroys commerce and friendly relations. Now the great object to be attained is peace between Japan and the United States, and if this Exposition does not increase and cement the peacefulness and good will which now exists between us, then I claim that the Exposition will have been a failure and the time and money lost. The keynote is that the Exposition provides the means of getting our nations together

and getting their citizens better acquainted, thereby increasing their friendship and finally, increase of trade naturally follows, provided one nation has to sell what the other wants to buy, and the great volume of trade going on between us at the present time demonstrates beyond a doubt that each has what the other requires.

It may not have occurred to the directors and promoters of the Exposition, but I am sure that when it is put before them they will see that the great object to be attained is international peace, and I hope that the day is not far distant when an arbitration treaty will be entered into such as President Taft drafted with Great Britain and France, but not like the empty husk that Congress offered as a substitute after taking all the meat out of the cocoanut.

October 15—I presided at a meeting, the subject being "Old and New China."

OLD AND NEW CHINA

Mr. H. C. Tan (Tan Hui Chan), of the Imperial Chung Hua School, Peking, who was returning from America after having placed seventy Indemnity students in schools, read a paper on Chinese education. Mr. Price, of Hanking, also delivered an address on the religious advancement that has been made, while I spoke on the material improvement that has been made in the last ten years, and also sketched the greatness of China before the Christian era.

Young Americans going to China for the first time generally tell Chinese gentlemen that they propose to civilize China. This either makes the Chinese smile or feel sorry for the young man's ignorance, as they have an unbroken record of six thousand years, and some of their works that remain to this day are the wonder of the world. First, the great wall of China, after twenty-five hundred years of wear and exposure to the atmosphere, is almost as perfect as it was the day it was built. The arches at the gateways stand as the builders left them, and the point of a pen knife could not be put in a crack of the joints of masonry.

At Nanking is an arch with an inscription on it recording the fact that the great emperor then on the throne passed through it twenty-six hundred years ago, and there it stands

as on the day it was completed. Stones so large are in various walls that even with our modern machinery we could not lift them.

Next is the Grand Canal. In fact, I would put it first, as the engineering skill required to make the surveys and take the levels show us conclusively that they had attained a very high degree of proficiency in the professions that people generally think did not exist even at a very much later date, as the location shows the greatest skill. It extends across the Empire from Peking to Hanchow, a distance of fifteen hundred miles, crossing several large rivers: the Yellow river, Yangtse river, and uses a stretch of the Soochow and the Pei Ho rivers.

From Peking a descent of about one hundred feet is made to get down to the level of the Pei Ho. This is accomplished by a stone slip way or slide. Boats are hauled up with a large plated bamboo rope, the power being the men on a large capstan. There are three other such slip ways or locks on the way to Hanchow, where the descent to tidewater is about eighty feet, accomplished in the same manner. The sides of the canal were found to wash in after it was built, so wherever it was narrow, it was paved with cobble stones as a causeway. It crosses a plain in Shangtung Province where an embankment had to be made to raise it thirty to thirty-five feet above the level of the plain, the canal being on top of this embankment, thereby saving locks. This canal is crossed by a great number of bridges. All that I have seen are intact. In no case have I seen any of them settling or getting out of shape, showing the perfect work that was done by the Chinese when the north of Europe and Britain was still in the stone age.

A tow path is on both sides, as most of the boats are pulled along by men, and where small streams enter the canal, they are bridged over with one stone from thirty feet to sixty feet long, according to the width. The stones are four to five feet wide, from twelve to eighteen inches thick, and are slightly curved so the centers are two to three feet higher than the ends.

The canal was built primarily to carry the tribute-rice to Peking, but through all those ages a vast commerce has been passing from one city to another, as many very large cities,

in fact about all the largest and most important cities of Central China, are reached by this canal or its tributaries.

Then the literature of Old China and the sayings of Confucius and Mensus have been a power for good to China, even to the present day. By following the precepts of Confucius it has held China together for a longer time than any other nation on earth. His high moral code has kept the nation up to a high plane of morality not found in other ancient nations. His sayings closely resemble the proverbs of our Bible, and while he proclaimed the immortality of the soul, he said there was a great beyond of which he knew nothing; so his teachings left his followers at a time they needed instruction the most: namely, when they are about to leave this world. But Jesus supplied this vital deficiency and instructed us in the world to come. There is a great similarity in their teachings. Jesus said: "Do unto others as you would have them do unto you." Confucius said: "Do not unto others what you would not have them do unto you."

Now as to *Modern China*: What has been accomplished in the past ten years, as the real change to modern improvements can only be said to date back to immediately following the Boxer uprising.

Politically, they have a constitutional form of government, while the Provincial Assemblies have erected buildings in all the provinces and the Assemblies held meetings last year. Nothing more has been accomplished than to formulate rules and plans for the conduct of the government. The Senate, also, met in Peking for the same purpose, and as was to be expected, had several clashes with the old officials, as it will be hard and take time to get an entirely new form and system to take the place of the old. However, it must be said so far they have succeeded as well or better than could have been expected. Suffice to say a great deal has to be done yet which calls for much patience and tact from those in power. The complete change of the government of one-fifth of the inhabitants of the globe is a gigantic undertaking and can be accomplished in China better, and with less bloodshed, than in any other country in the world. We cannot help but admire their energy and get-up in trying to do what would seem impossible to almost any other nation. If we should attempt

to change the American manner of government, see what a mix-up we would have.

The old educational system that prevailed from time immemorial, by a stroke of the pen of the late Empress Dowager, was abolished and a new era began, by adopting the Western system of education. Examination halls have been demolished and the modern school houses have taken their places all over the Empire, and the aim of the government is to have universal and compulsory education, but it will take a long time before it is possible to get even a sufficient number of teachers, but great progress has already been made in the past three years. They realize that the use of the ballot must be preceded by education. Twelve years ago they had twelve miles of railroad. The official reports of 1910 tell us that six thousand miles of road were carrying passengers. Nothing that is being done will make a United China as fast as getting all parts of the Empire united by railroads. This will soon make it necessary for one language and not a separate dialect for every city or province.

Water works for the large cities: Several of the larger cities have recently installed modern systems. Much remains to be done in this as well as in the system of sewerage, in which latter there has been some progress made, but it has been slower than in other improvements.

Electricity has made considerable advancement, and many of the large and several of the small cities are now lighted with electricity. The plants are generally German and English, although it is conceded the American system is the best, but lack of push in this direction has given the other manufacturers the lead. All of the large cities have more or less efficient plants and the use of electricity is becoming general.

But it is in the statistics of the postoffice that we get the most astonishing results. In fact, if the report was not official, it would be treated as incredible. I don't think that anything will show the tremendous advancement that the nation has made as the following:

Post offices	Pcs. mail handled	Parcels handled
In 1901..... 176	10,500,000	126,800
In 1910..... 5352	355,000,000	3,766,000

I claim that the religious results are in about the same ratio. The number of converts recorded does not tell the actual results, and as thousands of converts for reasons well known do not come out and profess Christianity on account of their complicated family relations, official positions, etc., it is commonly said that only coolies are converts. I can testify to having found men in the highest positions in the land earnest Christians, although making no public demonstration of Christianity.

The Young Men's Christian Association is making permanent and rapid progress. The larger cities are having them introduced and several buildings are in course of construction. The Shanghai building is full to overflowing and a new addition will be erected this year. Thirty-six thousand dollars was subscribed by Chinese to keep up this efficient and worthy work.

I find there is a great lack of information by Americans of China, and in China of America, and the only way this can be changed is for each nation to visit the other's country, and the more of this that is done, the closer and more friendly will the relations of the two nations become.

I have the honor to carry with me an invitation extended to the Associated Chambers of Commerce of China to visit the United States next March. It is proposed to have them visit the principal cities of our country, the itinerary covering eighty days and about twelve thousand miles of railroad travel. This is done with a view, not so much of developing commerce, as to create and promote a better and stronger international friendship and good will, following up our Savior's advent to this earth of "Peace on Earth and Good Will to Men."

ON THE VOYAGE ROBERT DOLLAR WROTE THE
FOLLOWING LETTERS AND ARTICLES

*On S. S. "Siberia" on way to Kobe,
October 22, 1911.*

R. B. Hale, Esq.

San Francisco.

My Dear Sir: I was unfortunate in only having Saturday afternoon in Tokyo and it rained hard all day, but very fortunate in seeing all that my time permitted. Arriving at noon, I went to the Foreign Office, where by wireless appointment, I met Viscount Uchida, but we had not commenced Exposition talk, when an urgent message arrived from the Emperor requesting his presence at the Palace on the Chinese troubles, so he left at once, but put our business in the hands of the Vice-Minister, Baron Ishii, whom you know. He explained that the Exposition had been discussed and had been divided between their office and the Minister of Agriculture and Commerce and that they had not definitely decided what part each would take. The Minister of Agriculture explained that he will have to introduce the Bill in the Diet to appropriate the money. Both said on my return from China that they would have it all worked out and would be prepared to fully discuss it.

The Foreign Office made an appointment for me to meet Baron Shibasawa at his office. I had a very pleasant and satisfactory talk with him. He said it was a great satisfaction to them that you appointed a commissioner whom they all knew so well. He and Mr. Nakana also said complimentary things which I will not repeat. The result of this conference was that he will not leave anything undone that is in his power to do, and, inasmuch, as he is the "Grand Old Man of Japan" that means a great deal more than appears on the surface. To show you how much I got him enthused, he said when it became necessary that he would go to San Francisco and get the leading men of the last party to accompany him and we could have a re-union of our party with theirs. I also discussed International Peace. He and I are exactly of the same mind: We must all do our share in

trying to bring about such a desirable result. He told me that Professor Jordan had done a lot of good, and he has all his addresses (translated). He requested me to keep him posted on my movements and he, also, would have matters in good shape on my return.

I then saw President Nakana at the Chamber of Commerce. He had called a meeting of the Chamber, so I had an opportunity of reaching the principal merchants. After talking to them, they all said they would make this the best exhibit ever shown by Japan. President Nakana, after the meeting, assured me he was determined to make this the greatest success of any international affair they had ever attempted. I explained to them all, that we depended upon Japan more than upon any other nation.

Although it was dark, Mr. Yamamota, of Mitsui & Co., was still waiting for me at his office. I wound up the day with an hour's talk with him. They expect to make the largest exhibit of any individual Japanese firm. He told me he would also make it his business to urge his countrymen everywhere to do their very best for us, and next to Shibasawa, I consider him the strongest commercial leader in the Empire. If my sons have not yet given it to you, get his letter to me on this business; it arrived in San Francisco after I left home.

Among other things, I found out that on account of the finances of the government, they are urging the merchants to relieve them by private exhibits, and with that object in view, they have formed The Foreign Exhibitors Association with Viscount Oura as President. President Nakana is one of the Directors. They are going to be an important factor in our negotiations. Everywhere I went I was always met with the questions:

1. What is your government going to do about permitting our people to visit your country?
2. What are your labor unions going to do about permitting our men to put up our own buildings?
3. Will your immigration authorities be reasonable in permitting us to bring men to erect buildings and install and care for exhibits?

I was reminded of the treatment of Japanese at St. Louis and Seattle. To all these questions, I replied by reading the

last clause of your letter to me, and further by assuring them that no indignities will be tolerated by the immigration officials, and that I knew that the Directors would see to it that everyone coming to our city would be well treated.

Tomorrow I will see Matsukata and the officials of the Chamber of Commerce of Kobe. I was very sorry that Ambassador O'Brien had left, and having only a *charge-de-affairs*, I did not see him.

Truly yours,

ROBERT DOLLAR.

PANAMA CANAL TOLLS

An important meeting was held in the Chamber of Commerce, San Francisco, the second of October, when this question was fully considered by our Congressmen, Senators, and merchants. The sentiment was strongly for free tolls for American ships, although some doubt was expressed as to whether American ships engaged in the foreign trade would be exempt. So as to get the general public informed on this important subject, a campaign of education should be inaugurated with a view of getting exact facts before the people. At a meeting, the statement was made that the Danube or Suez Canal measurement of steamers was much more than the American. In looking up this matter, I find that in cargo steamers this is not the case. For concrete example:

	Net British	Net Suez	Net Am'c'n.
The "Bessie Dollar"	2797 tons	3572	3679
The "Hazel Dollar"	2803 tons	3485	3582

It will be seen that for modern cargo steamers the American measurement is a little larger. The cargo steamers will use the canal most, and in comparing the dues with Suez, the measurement is important. The Suez dues have been reduced to six and three-quarter francs, equal to \$1.35. As this is the second reduction in the past two years, more will follow preparatory to meeting the competition from the Panama Canal.

From the Orient to Europe, Hong Kong is the dividing line, as to distance; ports north of that line being nearer by

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The "Bessie Dollar" 2797 tons		3572	3679
The "Hazel Dollar" 2803 tons		3485	3582

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From the Orient to Europe, Hong Kong is the dividing line, as to distance; ports north of that line being nearer by

way of Panama; ports south being nearer by way of Suez; but it must be remembered that existing lines have all their connections made by way of Suez, as they have the Straits Settlement and India, besides Mediterranean ports on the way, so that it will require considerable inducement to get them to change. In fact, the Panama tolls will have to be considerably less than Suez or they will not change, so our government is face to face with ordinary business competition as far as the Far Eastern situation goes.

It has been stated that tolls should be high enough to pay interest on the investment. The question is what investment should be met by the tolls. The canal was a naval necessity on account of the great importance of the Pacific Ocean and we could not get on without it unless we doubled our navy. Therefore, I claim that one-half of the cost belongs to and should be absorbed by the Navy Department just as much as if they had built another fleet, and all that the commercial part of the canal should pay would be interest on half the cost. No doubt there will be commerce enough to do this, but to load it down with the entire cost and hope to get tolls enough out of it to pay, will result in bitter disappointment. Let the defense of the nation pay its proper proportion. Our interstate commerce should not be taxed any more than at Sault Ste. Marie, where no tolls are charged either for Canadian or American vessels passing through it.

It must be impressed on the public that if dues are charged on vessels engaged in the American coastwise trade, that whatever tolls are paid by the vessels will have to be added to the freight, so in the end the public must pay for it.

Another point worthy of consideration is that the railroads will not sit down quietly and see no charge made for tolls, but will do their best to get them as high as possible. No doubt their influence will be felt in Washington when the matter is under consideration.

Let everyone do their best for no tolls on American vessels engaged in the coastwise trade.

The Business Men's League, Chicago, Ill.

AMERICAN MERCHANT MARINE IN FOREIGN TRADE

I read on your letter head the following: "American ships, American built, American manned for American commerce."

Theoretically, this is right and with all of which I agree provided it can be carried out, but I claim that it is utterly impracticable for the following reasons:

First, in the building of ships or first cost, our politicians and others who do not know or those who willfully distort the truth, all tell us that it only costs 25% to 30% more to build ships in an American yard than in a British yard. What are the facts? I have just built in Scotland a steamer 423 feet long, 54 feet beam with engines of 2500 horse power and of 8880 tons dead weight capacity. The price ready for sea was \$250,000.00. Inquiry from American yards brought out the information that it could not be built for less than \$600,000.00. Now to build this vessel in an American yard and to permit her to meet the keen competition in the foreign trade, Congress must pay the builders a subsidy of \$350,000. I need not ask you will they do it, the answer is plain on the face of it. *They will not.*

Then after we get the American ship, we are met with as great obstacles in the way of increased operating expenses. I will again leave the realm of theory in which so many discussing this subject resort to and get down to actual results. The American steamers "Hyades" and "Pleiades," 5,000-ton capacity, one year's cost to operate for wages and board, each \$32,940.00. The British steamers "Bessie Dollar" and "Hazel Dollar" of 7,220 tons capacity, wages and board one year, \$16,000.00 each, an excess of \$16,940.00 a year on wages and board alone. Again I ask who is going to pay the American shipowner this amount to enable him to meet the world's competition? If any one disputes those figures, I can give detailed information from my books and those of the Boston Tow Boat Co.

Then we have to count on our government regulations and restrictions which during the course of a year run into a lot of money. By our method of measuring ships, we are com-

pelled in foreign ports to pay from 30% to 35% more for dockage, pilotage, dry docking, and all charges, that are based on the ship's measurement. For example:

Net British measurement of the "Hazel Dollar" is 2803 T.
Net American measurement of the "Hazel Dollar" is 3582 T.
Net British measurement of the "Bessie Dollar" is 2797 T.
Net American measurement of the "Bessie Dollar" is 3679 T.

I have tried to find out the reason for penalizing our ships in foreign countries, but have failed to get any satisfactory reply. I have been told by government officials that they know how to measure a ship and require no instructions from foreigners. With this and many other unjust discriminations our Merchant Marine in the foreign trade has been legislated off the ocean.

Then in the manning of American vessels, we are compelled to carry useless men. I use this term as no other nations have to carry them. One extra engineer, three oilers and three water tenders. The three last, even the name is unknown in foreign freight steamers. Those seven men cost, wages and board, \$6,000.00 a year.

I will not trouble you with the unreasonable exactions of our inspection requirements, which no other nation requires—they would fill a page—and there are many important and vital requirements which are left out, so that our inspection regulations require to be remodeled from top to bottom.

In view of the foregoing, I say that under existing conditions and laws, an American Merchant Marine to engage in the foreign trade is impossible. A half loaf is better than no bread, and I claim that the only way we can get a Merchant Marine is:

1. To allow us to buy our ships where we can get them the cheapest.
2. Permit us to man them as our competitors.
3. Change our laws and regulations to conform to those of our competitors, preferably to those of Great Britain under whose flag more than half of the steam tonnage of the world is operated.

I would remind you that it is not the lack of enterprise in shipowners that has brought us to the humiliating position

we find ourselves in, as I have a list of ships owned by American citizens and flying foreign flags amounting to 1,652,716 gross tons. This amounts to nearly 6% of the entire steam tonnage of the world, and the last report of our vessels in the foreign trade showed that they had dwindled down to less than 600,000 tons. You will all admit that it is dangerously near the vanishing point. Did it ever occur to you that only for the Southern Pacific Railroad operating five steamers and the Hill Lines operating the Minnesota, there would not be an American steamer in the foreign trade on the Pacific Ocean flying the American flag? The railroads appear to be able to run them. Private individuals or private corporations could not.

Statistics show us that our manufactures are increasing much faster than domestic consumption. Therefore, we must develop and extend our foreign commerce. I claim this will never be done on a large scale without our own ships, so we must find a way of getting vessels. We must do something and at once. You should demand of Congress to enact laws at this session to accomplish the desired results. On this trip I am making to Oriental countries, I know that outside of the railway steamers, I will never see the American flag on a vessel in the foreign trade.

*Editor of "Pacific Marine News,"
Seattle, Washington.*

You request me to further explain why Americans own ships and fly foreign flags, and answer the following questions:

"A" Question—Do American citizens, including myself, invest in foreign steamers under foreign registry primarily because they are cheaper than American steamers (probably 45% to 50%), because in addition to reduced first cost, capital charges, and other fixed charges are correspondingly less?

Answer—Yes. The cost of building an ordinary tramp steamer in America is not 40% to 50% greater than in Britain, but over 100%. Most of our States tax ships: foreign nations do not. British insurance companies sometime ago increased the rate of premiums on American vessels 1% over the rates on British ships.

"B" Question—What are the actual increased statutory charges 'E. G. Manning Scale' as between an American registered vessel and a foreign registered vessel engaged in the trans-Pacific trade?

Answer—"Manning Scale": On the deck department there is not much difference except that the officers are paid American instead of European wages which runs about 50% to 60% more, but on our British ships we pay full American wages to all our officers on deck and in the engine room. We carry Chinese crews at the same rate of wages as all our competitors.

Engine Room Crew—Taking an 8000-ton (d. w.) steamer under the American flag, the crew is increased very much over their foreign competitors in the following particulars:

1 extra engineer, including board	\$ 75.00 per mo.
3 oilers, including board.....	210.00 per mo.
3 water tenders, including board..	210.00 per mo.

\$495.00 or \$5940.00 a year

Those seven men, I claim, are useless, as steamers of every other nation does without them. Why our regulations compel us to carry them has never been satisfactorily explained.

Then another unreasonable tax on an American ship is in the American measurement which is from 25% to 35% more than that of their competitors, so that an American ship in foreign port pays 25% to 35% more than her competitors for pilotage, dry docking, painting, tonnage dues, wharfage, etc.; in fact, on every charge that is based on a rate per registered ton. It would easily fill a sheet to go into all the details imposed upon American shipping by our unreasonable laws and regulations, but the foregoing is sufficient to show that there is something radically wrong.

"C" Question—Do American registers receive any relief in national public dues and charges as compared with foreign registers?

Answer—None whatever. On the contrary, we are handicapped on every hand. No session of Congress is held without several bills being introduced to restrict and hamper shipping until now it can truly be said that American ships in the foreign trade are a thing of the past.

"D" Question—Are not increased operating expenses other than fixed charges equal under American and foreign registry, at least in domiciled trans-Pacific lines under British register, and do such lines have to pay the Pacific Coast wages, each having the privilege of engaging Chinese crews?

Answer—Operating expenses: I have answered this in my answer to "B." I cannot answer whether British lines pay American wages, but I know of several who have their officers engaged for three years at British wages. Both British and American ships have the privilege of employing Chinese crews.

"E" Question—What are the relative regulations as to providing an American and a foreign register in Hong Kong and what is the practice?

Answer—There are no regulations whatever as to this. Hong Kong is a free port and no restrictions are imposed on shipping. I think that the customary practice is to outfit and provision ships at the homeport or at the port where headquarters are established except in certain articles, which could be obtained much cheaper at the Oriental end. Our custom is to provision our ships at the loading port in America, the idea being that the port that furnishes us with the cargo is entitled to the privilege of selling us our stores.

Your correspondent adds—Finally, can Mr. Dollar sustain a case, that, excluding increased first cost, etc., is there any great disadvantage or increased material expenses in operating steamers under the Navigation Laws of the United States aside from subsidies, etc.?

Answer—I have given you several material reasons why it is impossible to operate American tramp steamers in the foreign trade, even assuming that the first cost was the same. The competition is keen and any vessel handicapped by \$17,000.00 a year extra and additional expenses per annum for operating expenses alone is simply down and out. As to how this amount is made up, I would refer you to an article which I wrote for the "*San Francisco Commercial News*" and published October 4, 1909. The statements made at that time have never been challenged, although it has been reproduced by hundreds of newspapers in many lands.

ROBERT DOLLAR.

SHANGHAI

ON arrival at Shanghai we found the rebellion had gained large proportions, especially in Hupeh and Honan Provinces. The center of disturbances was at Wuchang, across the river from Hankow and Hanyang. The first move was the capture of the city, deposing of all the officials, beheading all who had not escaped, and establishing a government of their own. All the soldiers and many of the officers joined the revolutionists, so they started out with a nucleus estimated to be about 3000 to 5000 well trained officers and men. Evidently they had carefully prepared plans to go by, as their first move after capturing the capital of the province (Wuchang) was to cross the Yangste river during the night and surprise and capture the Hanyang Iron and Steel Works, adjoining which was the government arsenal only separated by a wooden fence. Up to a short time ago both were owned by the government. All this was accomplished with very little bloodshed. This latter move was most important as the arsenal was well stored with arms of all kinds, including a large number of machine guns; in fact, lots of everything that an army required, including facilities for making all kinds of explosives and shells for all the different kinds of guns, so that this prize was the keynote, or rather on it depended in a great measure the success of the revolution. This arsenal has been kept running to its utmost capacity ever since.

A hill behind the arsenal commanded the surrounding country, including Hankow, Hanyang, and Wuchang. They immediately mounted the heaviest guns they had captured on top of this hill, thereby commanding the entire district within range of these guns, which I think had a range of four or five miles; having this for a base, they drove the Imperial troops, after several engagements, down the river bank and across Seven Mile Creek, which was seven miles from the native city of Hankow, thus capturing the native walled city, but leaving the foreign concessions intact, they having notified the various Powers that they would not molest or interfere with any foreigners. All the buildings outside of the walled city and up to the concessions were burned and destroyed, also the

terminus of the railroad, and for fifty miles towards Peking to the tunnel was also captured and the track blown at the tunnel. The government had to send troops principally from Peking, eight hundred miles away, which took some time. Meanwhile the revolutionists were not idle; they also were gathering men from all parts; this was easy as practically the whole of Central and South China was with them. It is a fact that I have not met a single Chinese in all this district who was not a rebel. Officials of the government do not proclaim it abroad, but they will take you in an inner room if they have your confidence, and in a low tone of voice, tell you they hope the rebels will win. I am perfectly surprised at not finding a single person on the government side, that is, amongst those outside of the military. When the government reinforcements arrived, fighting began in earnest, and by the good discipline of the government troops, and being well officered, they gradually drove the rebels back toward Hankow. Eye witnesses told me that the bravery of the troops on both sides could not be surpassed, but the rebels lacked a sufficient number of experienced officers, and in many cases, on the field the men had to tell each other what to do. As it was, the carnage on both sides was fearful, and the Red Cross Hospitals were soon filled to overflowing, and not enough doctors and nurses to care for the wounded. No time was given by either side to bury the dead, and as the same ground was twice fought over, the sanitary conditions were fearful. As each side was well entrenched, the dead were mostly in the vicinity of the trenches, although Mr. Howe told me he saw bodies scattered everywhere on the fields from Hankow to Seven Mile Creek, so the government army, by its better discipline and officers, gradually drove the rebels into the walled city of Hankow, then by a terrible shelling caused them to cross the Han River to the Hanyang Iron Works and the arsenal, backed by their fort on the hill, so that at this present writing both armies are on each side of the Han river which is between one-quarter and one-half mile wide. The latest reports state that the government troops, in order to chase the rebels across the Han, had set fire to the walled city and that it was practically destroyed.

Meanwhile government artillery trained their guns on Wuchang, and Admiral Sah's fleet had come up so as to get in range, and they were shelling the city. At last accounts the place was untenable and was in a fair way to being totally destroyed. It is a city of about three-quarter million people. No doubt fire will finish what the shells did not do. That is about the situation at this writing.

November 4, 1911—On the way down the river Kiukiang, Wuhu and Nanking were all taken by the rebels. The guns of their forts were trained on the river, sinking two or three torpedo boats and capturing several steamers loaded with ammunition and coal, so it is quite possible that the fleet may run out of coal and ammunition. Five hundred tons of ammunition on a China merchant steamer was captured and unloaded here at Shanghai. This morning was momentous. The Woosung Forts went over to the rebels; they are the largest and probably the best in China, completely commanding the Yangtse and Whampoa rivers, thereby having complete control of the traffic going up the river to all ports as well as to Shanghai. At the same time the Kiangnan Arsenal and dock yard at Shanghai were taken possession of, as was, in fact, the entire city.

The casualties are only reported as a few killed and fifty wounded. The Shanghai-Nanking Railroad station is outside the settlement, therefore in China proper, and very unwisely the foreign consuls sent some foreign volunteer soldiers to guard it, thereby breaking the neutrality laws and taking sides with the government against the rebels. Had this unwise and indiscreet act been persisted in, the rebels would have started the fight against the foreigners, but on the arrival of a company of rebel soldiers the Europeans were withdrawn to within the settlement where they belong. The protection of the station was clearly the duty of the Chinese themselves and not for us to undertake. In this rebellion there is no danger whatever of any trouble between Chinese and foreigners unless it is brought on by indiscreet acts such as this. This is a time above all others when it requires discreet and level-headed men at the head of affairs, and it looks to me that if the foreigners are drawn into it, it will be through their own fault. We must remain neutral and not take sides with

either party, and in justice to the Chinese, I must say that no other nation would come through the turmoil of completely changing the government of a city of over one million people without great bloodshed, riots and disturbances. In Shanghai, on the contrary, perfect order has been maintained.

Orders were given for all to display the white flag of the rebels, and this noon the city streets were one mass of white flags. In the forenoon about two hundred and fifty to three hundred United States soldiers landed and marched through the principal streets of the city. They were certainly a fine looking lot of fellows; their marching and drill seemed to be perfect, and they created a very favorable impression. It was done evidently at the request of the chief of police as he preceded them, and to show the Chinese that there was a force of armed foreigners at hand. However, I do not consider this necessary as every one was most orderly. Great excitement prevails in the French concession where we live, the police are all armed with rifles and reinforced, so that one or two are at every corner. Near our place there is a small park where a company of them are on duty, which shows that every precaution has been taken.

The financial situation is bad, and all native banks are closed to prevent a run. The foreign banks are going to help them, and all stand together as our clearing houses in America did three years ago. In the meantime in order to carry on their business, they are opening accounts in foreign banks in whom they have perfect confidence, and who are very strong, having plenty of money. That business is dislocated goes without saying; and, as this city commands the Yangtse Valley and hostilities are carried on along its banks, it paralyzes a great deal of trade. However, everyone is hopeful that when all this trouble is settled that China will enter on a great era of prosperity.

In Szechuen where the rebellion started we do not hear very much, and in Canton, Kwangtung province, they foolishly declared a republic of their own, but that, I think, is now held up.

While we consider a republican form of government the best, I am convinced that this empire is not ready for a republic yet. In fact, it will take many years of education

before it will be safe to put the ballot in the hands of the people, so I think the only safe way would be a limited monarchy, retaining the Emperor and the Prince Regent as nominal heads. This, I think, would work out satisfactorily; and with the Provincial Assemblies in every province, and the Senate or National Assembly in Peking, and having Ministers responsible to the National Assembly and the people, they will rightly dispose of the old fossils and incompetents, putting in their places only men who have ability and who will be allowed to remain in office if they make good.

All this to an American may not look like much of a change, but it means the complete upsetting of all the Chinese customs that have been in vogue for thousands of years, and the removal of those who have been fattening on the spoils which came from oppressing the poor people of this country. Californians can better understand this by comparing it to our State Legislature. What a change and revolution it would be if the spoils system and perquisites were all abolished. It would put our politicians all out of business and an entirely different lot of men would be in our legislative halls. So in this country it is far more so, as grafting has been going on for centuries, and the men who now will take command will be young men educated in and accustomed to the ways of foreign nations, and having an entirely different idea of government than the incompetent and antiquated Manchus who have been running the government in the old style of the so-called squeeze. The whole system is wrong and to correct it they must begin at the top and reform everything from there down. Under the new state of affairs this, to a considerable extent, will be accomplished. I was pleased to read in the papers to-day that one of the progressive young men, Alfred Tzee, had been appointed Ambassador to the United States. I know him personally, and I know his ideas are progressive.

We took a trip to Hangchow in Chekiang Province, about one hundred and fifty miles south of Shanghai. On the way to the railway station, on a narrow road we met a great number of rebel soldiers. Evidently they had just been enlisted, as they had no uniforms or arms, but each one had a strip of white cloth sewed to his coat. This showed they

were enlisted rebel soldiers. They were preceded by two large white flags. A few officers in uniform were in charge. When we were passing a big crowd of them in a very cramped place, one of the auto tires blew out with a great report, which badly scared the soldiers and mother. They all jumped to the conclusion that the Imperial troops were shelling them, and that we were right in the center of the disturbance.

This is the first time we have passed over the railway to Hangchow, having gone before by the Grand Canal in house boats. We were very much impressed by the richness of the country, which is perfectly level, and in a high state of cultivation, in fact, it looks like garden patches. The provincial productions are rice, and mulberry trees for producing silk. The whole country is intersected with canals, all tributary to the Grand Canal. Water was the only means of conveying their commerce. There are no roads, the nearest approach being a pathway of paved stones, from two feet to four feet wide; the stones are generally four inches thick, two feet wide and six feet to twelve feet long.

On the way, and at the stations, we saw soldiers everywhere drilling, but no Imperial troops, all were rebels. In fact, all this part of Kiangsu Province, and all of Chekiang Province is completely gone over to the rebel side. Many soldiers were on the trains going in both directions, showing there was great activity.

We stayed at the Hangchow College, which is three miles further up the river than Hangchow, and one mile from the present terminus of the railroad at Sah Kow. When this road is completed it will reach Ningpo and Foochow, but a bridge three-quarters of a mile long will have to be built to cross the river at the college grounds. As this will cost a lot of money, it is holding the work back. Last time I was here a commencement had not been made to build. A great transformation has been made, and eight commodious, modernly constructed buildings are now on the grounds. The dormitories and class-rooms are sufficient for two hundred to two hundred and fifty students. The professors are comfortably housed in good houses, and while some things about the grounds remain to be done yet, I found what had been done, was well and very substantially built, and good for many

years to come. The water is brought from springs with bamboo pipes, which must soon be replaced by iron pipes; and a sewer has to be installed. A launch, as a means of communication between the city, will also have to be provided, as well as houses for the native teachers, etc., etc.

We spent Sunday as the guests of Professor Robert Fitch, and were very much interested in the religious services. At 10 a. m. Mr. Fitch preached in Chinese to the students, the faculty and their families. I was greatly surprised at the singing of the students, for a congregation of its size, I think it was the best I ever heard. They sang all the old familiar tunes to Chinese words. I noticed at subsequent meetings that the organists had been changed, and on inquiry learned that sixteen of the boys could play well enough to lead the singing. I was very much impressed by the earnest manner and deportment of the students.

In the afternoon at 3 o'clock they requested me to address the students on the International Relations between America and China, which was interpreted by President Mattocks as follows:

INTERNATIONAL RELATIONS BETWEEN AMERICA AND CHINA

"In America there has developed a very decided feeling of friendship for China, and I am pleased to see that this same sentiment is increasing in this country by leaps and bounds.

"First, I will take the attitude of our government in the advocacy of the integrity of China and the 'open door'; then the nationalization of the Manchurian railroads, by several of the powers loaning money to China to buy and own the railroad, and instead of absolute ownership then, only to have a mortgage on it. Needless to say these plans, especially the last one, were not looked on by the Powers with much favor, although the integrity of the Empire and the 'open door' were accepted in a half-hearted way, but the Manchurian Railroad ownership plan was rejected in such strong terms, there was no mistaking the meaning. Then, also, America was the only country to return the Excess Indemnity which China was compelled to pay under duress, and which she did not owe.

Then, second, the efforts that are being put forth by individuals. The sending of students to America has a very beneficial effect on both countries, and as years go on the wisdom of this will be seen; in fact, now, in the remodeling of the government of your country the students educated in America years ago, are making their influence felt.

The students are well received. On arrival at San Francisco the Y. M. C. A. looks after them, arranges and provides for their comfort and pleasure, showing them the sights of the city, and providing entertainment; the customs and immigration authorities tender them every courtesy. I took the last party to the roof of the Merchants' Exchange, and showed them the city from the top of a fourteen-storied building. None of them had ever seen a building over half the height, and I am safe in saying that none of you ever saw a six-storied building.

"When our merchants visited Japan about three years ago I saw the great benefit of it, and I proposed to the Chamber of Commerce of Shanghai to invite a party of our business men to visit your country, which was done last year. You will recollect we visited Hangchow, and were received by your Governor. No party of commercial men in the history of the world ever got such a reception as we received from your countrymen. We were received by officials from the Prince Regent down. This visit was productive of great good. Now the Associated Chambers of the Pacific Coast have made me the bearer of an invitation for fifty of your prominent business men to visit our country. They will be selected from every province. We propose to show them over sixty of our principal cities and our manufactories and industries, and the distance they will require to travel by special train will be over 11,000 miles, and the time in America will be over three months. We look forward to great good resulting from this visit in the way of strengthening the ties of friendship.

"Then the various denominations of our Pacific Coast States have held meetings with a view of sending a minister and a layman from each denomination to visit Japan and China, to endeavor to create a feeling in favor of having arbitration treaties between America and your country, and also Japan, so as to settle national disputes by arbitration and not by war. We have entered into such treaties with Great

Britain and with France, and by working away at it, we hope to secure the same great benefit to mankind, by a closer relation with Japan and your nation.

"In reference to the great tribulation which your country is passing through in this civil war, I can assure you that when the proper time comes, you will find America foremost in securing peace for you, and in endeavoring to get for you a good, stable government, and from past experience you know that America does not want and will not have any of your country, and as far as lies in our power we will prevent any other nation from taking any of your country.

"I assure you that our country sincerely sympathizes with you in the great trial this nation is going through, but we all feel that out of great evil also will come great good. In closing I cannot do better than ask you to repeat in unison from the first chapter of Joshua, eighth and ninth verses:

" 'This Book of the Law shall not depart out of thy mouth, but thou shalt meditate therein day and night, that thou mayest observe to do according to all that is written therein, for then thou shalt make thy way prosperous, and then thou shalt have good success. Have not I commanded thee, 'be strong and of good courage, be not afraid, neither be thou dismayed' for the Lord thy God is with thee whithersoever thou goest.' "

On the way from the college to Hangchow, which is called "The City of Heaven," we came through The Dragon Valley, a very beautiful trip. The end of the valley near the river is about one-quarter of a mile wide, and it gradually narrows until the hillsides only leave room for the small stream and the road. The whole valley is under cultivation, even the hillsides are terraced with stone-retaining walls, and planted in tea bushes. Some rice is grown in the bottom land, but outside of that it is all planted in tea. For centuries the tea used by the Royal Family has been sent each year from this valley to Peking. There are several small villages at different places, and all seemed to be quite prosperous. The tea was in bloom, and in many places the farmers were digging up the ground around the bushes with large four-tonged hoes.

On the way near West Lake we visited Thunder Peak Pagoda. It was built in 970 A. D., and was originally seven-

storied, but now it has crumbled until it is only four stories high, of two hundred feet. Originally it was three hundred and fifty. The walls are very massive—over twenty feet thick, and built of brick with stone facings. The road, or rather path, is of paved stone, about four feet wide. The stones are mostly laid crosswise, being four feet long. There are a number of stone bridges across the stream. Generally the stones are the length of the span, from twenty feet to forty feet long, two and one-quarter feet wide and ten inches to twelve inches thick. Four stones abreast make the bridge. The ends rest on stone abutments. The whole looks as if it would last for ever, as this path has been used for centuries.

West Lake is a beautiful sheet of water, a great place for boating. We intended going to the celebrated temple founded in 326 A. D. at Lin Ying, a few miles distant, but time did not permit. I was anxious to have seen the great round timbers, one hundred and twenty feet long and five feet in diameter at the butt, that we brought from the Columbia River to re-build this, the greatest of all the old temples of China, which the Taiping rebels burnt down, but is now being re-built by His Excellency, Sheng Kung Pao. The timbers are all standing up in place, and the work of closing it in is in progress. It took an army of men weeks to get those large timbers from West Lake to the temple site, although it is only three miles distant. It was a great undertaking to stand those enormous trees on end without any steam power. They are by far the largest timbers ever brought to China.

We had to cross the city to get to the railway station, and when we got to the city wall, we did not require to ask if a revolution was in progress, as the gates were strongly guarded by soldiers, and at several places there were several large barracks, with a great many soldiers in the vicinity, and the white flag of the rebels was in evidence everywhere. The soldiers are wearing the Imperial uniform, but have a white band sewn on their sleeves; that is all that distinguishes a rebel from a loyalist. Perfect order is being maintained.

The Harmonies Pagoda is of recent date—1894. It is thirteen stories high, rising to nearly five hundred feet, and can be seen for many miles. The first one was built over one

thousand years ago, and was destroyed in 1862. It is a hexagonal in shape, and the priests keep it clean and in good order.

November 21st, 1911—China, the old slow country, has suddenly, as if by magic, changed to be the new fast China. Changes are taking place so fast it is almost impossible to keep up with them. During the past week Yuen Shi Wai, with Tong Sha Yei as assistant, has formed a new cabinet of which five are reported to have been educated in America. Could any change be more radical from the old men, all Manchus, and opposed to progress?

Up to the present Peking has remained quiet, but how long it will continue no one knows. Tientsin will likely follow Peking. At Hankow, Hanyang, and Wuchang comparative cessation of hostilities has resulted from Yuan Shi Kai's visit to General Li. Admiral Sah's fleet is reported as having hoisted the white flag and gone over to the rebels. Nanking is now the storm center. The Tartar General with fifteen to twenty thousand troops shut the gates of the city and prepared for siege. Dr. Gilbert Reid, at the risk of his life, got into the city and interviewed the General with a view of getting an armistice of two weeks to try to arrange peace. Unfortunately, he failed. Now the rebels are gathering in recruits from all directions to Nanking. They are reported to have twenty-five thousand, but mostly undrilled men, but past experience at Hankow has demonstrated that they can be depended upon for their bravery, going to the extent of foolhardiness, so when the attempt is made to capture the city there will be a great slaughter. They have offered \$50,000.00 for the head of the Manchu General, as by getting him they hope to get the garrison to join the rebel forces. If this could be accomplished, they would make short work of it, as with this well drilled and modernly equipped army they could carry everything before them, and seeing that the Manchus have no chance of winning, the result would be accomplished without great loss of life.

The Shanghai-Nanking Railroad which at first refused to carry the rebel troops has now placed the entire equipment in the service, and steamers are carrying arms, ammunition, and

stores to Chinkiang by the river. The latter place will be their base of supplies.

It is remarkable how quickly they get recruits and uniforms for them. They seem to get men without any effort, as more are offering than they can accept. They seem to come from all directions, and as they have possession of the arsenals, this furnishes the means of equipping them. I understand they are running night and day.

Business in North and Central China is suspended; practically nothing doing except in stores for the army. All the native banks are shut up. In Shanghai an effort is being made to form a clearing house so that by combination they could open up. It is a case similar to our San Francisco banks during the panic. If any of them opened they would immediately be depleted of their money. The foreign banks are assisting them in this. The foreign banks have far more money than they have any use for, as the Chinese have been depositing with them for safety. They now refuse to open new Chinese accounts.

HONG KONG, November 21—We found Hong Kong full to overflowing with European visitors so that the hotels were full; and of Chinese refugees, for whom there was not accommodations, as the rents for native houses have doubled in three months and the city and harbor present a very busy appearance, but merchants tell me that great amounts of merchandise are going right into the warehouses on arrival, as the native banks in the interior are closed and money to pay for the goods cannot be obtained, so the merchants are holding them and doling them out as the money is forthcoming. Over one million sacks of flour are so held.

While business no doubt is very restricted, it is not nearly so bad as in North and Central China. A good deal of complaint is heard of lawlessness in Canton, and up West River where pirates are operating on a large scale, one band is said to number six hundred. On account of the revolution all the gunboats have been withdrawn, so it gives the lawless element a free hand. They have even been trying it on in this colony, but there is no danger of anything serious, as above all things, the British will enforce to the letter, both law and order.

However, the general paralysis of trade that is gradually creeping over the entire Empire will deprive multitudes of the means of livelihood and we must expect riots and trouble unless the revolution can be stopped soon, and at this writing there is no immediate prospect. It is reported that Japan will take forcible measures to guard the Hanyang Iron Works on which they have a mortgage.

Lawlessness in Canton district, and especially pirates on West River, is on the increase. A British river steamer was willfully run on a mud bank by a Chinese pilot and immediately attacked by pirates. They opened fire with modern rifles. The mate was armed and killed five of them. The captain found the ammunition had all been stolen and the cartridges had been drawn from the guns in the pilot house, showing they had confederates on board. Unfortunately, after making such a brave defense the mate was killed and three passengers were wounded. They took everything loose of any value, including all her cargo. The steamer backed off after the pirates left and proceeded to Hong Kong, reporting the affair to the admiral, who immediately sent three torpedo boats, four launches, and a tug with six machine guns, so it will be interesting for pirates on West River for some time to come.

I was surprised to see how many Chinese had cut off their queues, fully two-thirds of the population in Canton. Rowdies parade the streets with scissors and cut off all queues of unsuspecting passers. They claim it to be a sign that they are rebels if the pigtail is gone.

In reading the Hong Kong newspapers, the tone is distressingly pessimistic. One to believe them would think the end of China had come and that there was no hope for the new government. On the other hand, the papers of North and Central China, where the real trouble is, are quite hopeful of the final results that we will have a new progressive China. Talking with merchants and bankers North, they all voice the sentiments of their newspapers. On the other hand, in Hong-Kong and Canton everyone seems to think the bottom has gone out of everything, and strange to say, business in the North is practically suspended, while in the South business is very much curtailed, but by no means suspended, as the Southerners do not depend upon China alone.

The steamer we crossed on from Hong Kong to Manila, the "Yuen Sang" of the Jardine Mathewson line, had all the cargo she could stow under deck and considerable on deck. We had some lumber to ship to Manila, for which they asked \$12.00 Mexican a ton or \$18.00 per thousand feet and would only take half of it this week, balance in ten days, so I don't see where they have any complaints to make. This is said to be the poorest ship on the route, nevertheless, she was full of passengers, every berth being taken. One of the passengers was in the scrap with the pirates. His head is tied up; the effects of a bullet wound. He says the thin woodwork of the steamer was riddled, offering no protection from bullets. This steamer, the "Yuen Sang," is twenty-four years old and carries 2400 tons dead weight on nineteen feet. The northerly monsoon was blowing hard and the ship rolled very much. Every roll brought water on deck, so it was impossible to walk there on the way over, but having so much cargo it made her better than if she had been light. The passage was slow; three days and nights, distance six hundred and forty miles. The weather has been warm, but not uncomfortably so. Seeing that we are always going further away from home, we are not getting letters or papers, but they will catch up with us after a while.

MANILA—We arrived three days out from Hong Kong on the 28th of November. Three years ago, we arrived on the 29th. On entering the harbor I noticed many changes for the better. The breakwater is complete.

I have not investigated the facilities for the rapid handling of freight on the piers. Charges, regulations, etc. will follow. The streets are much improved: all new ones are wide and well constructed and kept perfectly clean. On entering the city, I was at once impressed by the much better appearance of the surroundings, several large buildings being either completed or under construction, notably on the Luneta or water front on made ground. The new hotel, large enough and said to be good enough for any city, will be opened in January. Then the same may be said of the Army and Navy Club and the Elks Club.

On arrival, we received an invitation from Governor Forbes to attend a reception and ball on the opening of the

Legislature. It was given in the Old Governor's Palace, an immense house, the grounds being beautifully illuminated by electricity. One thousand and eighty were present. The dresses of the Philippine ladies were unique and very fine, entirely different from anything we had ever seen. I will not attempt to describe them, as I consider it entirely outside of the ability of any man to do it, so I must leave them to the ladies to describe.

I was surprised to meet so many men whom I knew, or to put it more correctly, to meet so many who knew me. We had a very pleasant evening and seeing we had only arrived at noon, we had our time well occupied from the start.

I forgot to say that on arrival I noticed a very great improvement in the reception of passengers, that is, by the quarantine, immigration and customs officers. On my two previous visits, especially ten years ago, they made it so hard and exacting that before I got ashore I heartily wished that I never had come at that time; they started in at Marivelis at 5:00 a. m. and it was after 7:00 p. m. before we finally got on shore, and it being Sunday, we could not get any of our baggage until next day. This time there was no trouble or delay whatever, and the officers gave one the impression that they were trying to make strangers welcome and make it as easy as possible to comply with the law.

The Governor made an appointment for me to meet him at his office the following day. He had been very sick and although far from well and not seeing visitors, I had difficulty in getting away from him, as he seemed to be very much interested in what I had to say. I told him I felt he was tiring himself out and that on my return from my proposed trip to the Islands, I would be prepared to talk to him more intelligently. He said he would do everything in his power to assist me in developing any trade to or from our country. Neither he nor anyone I have met so far could possibly have done more for me than they did. As soon as I left him, he sent for the Commissioner of Navigation and instructed him to get a government steamer and accompany me around the Islands. I have not met him yet, so the definite arrangements as to where and when we will go has not been made. In fact,

I got the information from one who was present. The government officials are certainly alive to increasing the trade. If you look at the great increase in trade in three years, it shows to a very great extent how it came about coupled with the reduction in the tariff.

Imports and Exports from and to the United States for

For only 9 months each year.	{ 1909	\$15,000,000
	1910	24,500,000
	1911	29,000,000

The total Exports in three articles, were for 1910

Hemp	170,788 tons
Copra	116,374 tons
Sugar	127,717 tons

This shows that there is a great deal of tonnage moving. Of course, the copra nearly all went to France, the hemp mostly went to the eastern seaboard of the United States, while of sugar, seven-eighths of the total was sent to the United States. I will get the statistics of what went to the Pacific Coast as that information will be valuable for us to have; but looking at it superficially, there is no doubt in my mind but the exports to our coast ports can be increased. The question for me to answer is, in what commodities, and how can it be done? There are many complaints about the lack of inter-island shipping.

The new coast guard vessels of the government are tied up in a bunch here; there must be a dozen of them. They were built for commerce, but the government lost so much with them running them commercially, they had to be tied up, another striking illustration that the government cannot compete with private ownership.

Manila, December 4th, 1911—There is an air of prosperity all over the city. No one complains, but on the contrary all say business is good. Bankers report collections good at the present time. This is the only city in the Orient to-day that can make such favorable reports. In years gone by Manila was always at the tail-end of the procession. Now, the Philippines are at the top of the list. I have inquired particularly if this is only just a spurt and whether it would last, but everyone thinks that it is permanent, and while I don't

think so much prosperity will continue, it looks to me as though the Philippines are on the road to permanent and steady improvement.

The city has improved in many ways: notably in buildings and streets. A very great improvement has been made in port charges. Now a ship has no port charges unless she lays at the wharf, when they are one-half cent, gold, American net register ton a day. Pilotage (is only necessary if the captain don't know his berth, not compulsory and not necessary in leaving port) \$12.50 gold one way is the charge. Pilots are responsible for minor damages. On general cargo at wharf, one hundred and fifty tons a hatch is the best that can be done. Loading into cascos is the same rate provided a full supply of lighters can be procured, which is very doubtful.

In lumber the custom of the port is 50,000 feet a hatch, and the very maximum is 75,000 feet provided lighters can be obtained, which is not probable. The great trouble seems to be the slow handling ashore. It is possible to do good work on the ship, but whether this can be accomplished in the near future remains to be seen. One thing sure, before Manila becomes the great distributing port of the Far East for American goods, they must land and store them as their competitors do at Hong Kong and Shanghai. On expensive goods that can stand the extra cost, it is not so bad, but on heavy freight such as iron, machinery, flour, etc., they are not in it. At the commencement of the occupation the government was to blame in many ways, making profitable business along modern lines almost impracticable, but now the reverse is the case. It looks to me from the very short time and imperfect observation I have had that the government is doing everything in its power to make it the ideal commercial port of the Orient, first making it a free port, then building a breakwater to make the harbor, then putting in wharves. If warehouses of sufficient capacity were built and connected with the wharves by rail, freight could be handled very cheaply, and outside of the high price of labor as compared with the other Oriental ports, freight can be handled expeditiously and cheaply. A mistake has been made in building the wharves too narrow, and while the railroad tracks go down the middle of the wharf, there are none on the side

so that ships can load or discharge direct from the cars, involving a second handling. This, I understand, will be rectified when other wharves are erected. Mr. Deerham has erected a large warehouse which is now crowded to its utmost capacity.

Probably one reason why it will be slow to establish business on the new water front is on account of the splendid creeks and canals that go through the principal parts of the city, giving water communication for light-draft lighters all over the city, and wherever business has been established for many years it is always hard to divert it.

The Governor directed Director Helm of the Bureau of Navigation to take one of the coast guard steamers and accompany me to any part of the Islands I wished to go. Messrs. Deerham and Norton were invited guests of the government. We left Manila in the evening on the "Luzon" and arrived at Calipan on the Island of Mindora next morning, where we met Governor Van Schaike. Fortunately we had known his wife, so it made a very pleasant visit for us. The government building and governor's residence are commodious and comfortable, well situated on a hill at the landing. They have a stone and cement pier with twenty feet of water at low tide. It is a very pretty place and attractive on account of its varied tropical vegetation.

The village of Calipan is not very large, say five hundred people. The island probably has less population than any of the large islands, and is about one hundred miles in its extreme length and forty miles in width. On the southern end of this island is the great sugar plantation managed in San Francisco by Welsh & Co. I learned that the mill was up but there would be no cane ready this year, although next year they expect to have plenty. Their shipping port is Mangaren.

We then went northeast to Binahain in the province of Ambos Camarines on Raja Bay where Mr. Durham has a large timber concession. We also landed at Camico Cove a few miles away. There they were logging with caribous hauling out small blocks of molava for keel blocks for the government dry dock in Hong Kong. The hewing was very rough, and the timber was badly gotten out, but they were rehewing them before shipment. I saw two pieces of red

lawam. They were fifty feet long and twenty-six inches square; they were very good quality and could have been made good merchantable timber had any care been taken in getting them out.

The village was en fete; the priest was coming that afternoon and at night they were to have a great dance and fiesta; in the meantime all work was suspended. At both places there was plenty of water for any draft steamer to within three hundred feet of the shore; for miles a nice gravelly beach extended both ways.

We sailed from Camico at noon for the coal mine at Batan and the lumbering at Rapa Rapa, both islands being close together, and lay off the southeast corner of Luzon. To get there, we passed through the San Bernardino Straits which separates Luzon from the Island of Saman. So far navigation has been quite easy. We passed through San Bernardino Straits into the broad Pacific which was in an angry mood. Our small steamer pitched and rolled about like a Mendocino coaster.

We arrived at Batan coal mine early in the morning, where the government cable steamer "Razal" was loading a cargo of coal for Manila. The mine is producing one hundred tons a day and they seem fairly well equipped. The mouth of the shaft, or rather the incline, is about twenty-five feet above the ocean level and five hundred feet from the shore. It is down fifteen hundred feet and at the end is ten feet below low water. The coal is soft, with a good deal of ash, a light burning coal like that of Seattle, and the quality about like Japanese coal. They sell the output at \$3.00 gold. It is conceded that there is an unlimited quantity. The wharf is over a quarter of a mile along the shore connected by a fill of coral, and a good railroad, two-foot gauge, forty pound steel. The bunkers are at the pit mouth and hold three thousand tons. The cars run under the bunker and two sets of chutes load cars on a double track. An overhead tram runs from the pit mouth over the bunkers and dumps the coal into the bunkers which are well and substantially built, but they are certainly in the wrong place; they should be on the wharf and shoot the coal direct into the ships, thereby giving quick loading. Instead, the cars are

all loaded from the bunkers and taken to the wharf where they are dumped into a box and each car load hoisted with a donkey engine and shot into the vessel. I could not find out exactly how much a day could be handled; one party said three hundred tons, another six hundred, but I think the mean between the two would be near it. Had the bunkers been on the wharf it would have been an ideal loading port, as the contents of the bunkers could have been shot into the vessel in a very few hours.

As to the underground working of the mine, I know nothing. A new manager arrived the same time as we did. He is from the United States. It does look as if properly managed and worked on modern principles that it would be a paying institution. It rained torrents all the time we were at the mine, so we looked it over under very disadvantageous conditions.

I took a steam launch and went to Rapa Rapa Island, four miles off where they were getting out timber. There was considerable surf on, and while we had a small boat with us, it grounded one hundred feet from shore so we had to walk this distance, but as it was still raining as it only can in the tropics, the wetting we got from the ocean did not make us wetter than from the rain. I was sorry to find the manager had gone to Le Gaspie so I did not see him. However, I saw the timber which he had got out, which was small in size: mostly twelve inches to fourteen inches square, one piece only over twenty inches. Evidently they had been skinning the forest to get the woods that would sell for the most money. They had about seventy-five pieces ready for shipment. I can't help remarking on the small, contracted way of getting out square logs. In fact, it looks to me to be of no commercial value the way it is done, so from the viewpoint of doing a big business it is certainly very discouraging as to the quantity of standing timber or facilities for getting it out. On account of the typhoon and torrential rain it was impossible to do anything.

We then went on board the steamer "Luzon" again under some difficulty, as the ocean was quite rough, and proceeded down the west side of the Island of Samar and at daylight next day we were at the Straits of San Juanica which separates

Samar from Leyte. It was a fine sight going through the narrow, crooked channel, some places only two hundred feet wide. The nepa huts of the natives—surrounded by banana, hemp, and cocoanut trees—lined the shores all the way. The country is of volcanic origin, and the sharp peaks of the hills were very picturesque. The storm of yesterday has passed away and the weather is clear, fine and warm, but very pleasant. The scenery is finer than the Inland Sea of Japan.

At 9:00 a. m. we reached Tackloban the capital of Leyte. We landed and looked over the town. The principal industry is the receiving of hemp, preparing it for the market, pressing it, and shipping it to Cebu for forwarding to various parts of the world. I found that the Chinese were the merchants and the solid men of the town. They had some very good modern hydraulic presses which were worked well and expeditiously, baling the hemp well and quickly, a Chinese boss watching the Philippine laborers who do all the work. I also saw them drying the copra and preparing it for shipment, but there did not appear to be a great quantity of it. The Spanish had no roads worthy of the name, but the Americans have made excellent roads running many miles into the Island, and several automobiles are for hire, which is quite a sight in this out-of-the-way place. The telegraph system is very good. Every place of any importance has a telegraph office, post office, and schools.

We left Tackloban at 2:00 p. m. for Cebu, returning by the same channel as we came: namely, by San Juanica Straits and passing around the north end of the Island of Leyte, thence through Billiran Straits where at one place it was not wider than one hundred and fifty feet with a strong tide running, we passed the small village of Billiran at which there was a large church; in fact, very large churches were always to be seen in every village, in marked contrast to the native huts. At Tackloban there were three schooners used for trading and a small steamer, all owned by Chinese. There do not appear to be many small schooners such as we see in Japan or junks as in China. Large steamers can come in here by the South Channel where it is said there is plenty of water. There are two wharves for vessels of fifteen-foot draft, but larger ones must anchor. There are several large

warehouses capable of storing large quantities of hemp and copra. The Tobaccolera Co. has a good establishment here, and, for a Filipino town, there was considerable bustle.

A Chinese merchant said the price of hemp was very low, and that a typhoon had destroyed most of the copra, which, however, was bringing a good price.

CEBU, December 11, 1911—We arrived in Cebu at 7:00 a. m., coming in by the North Channel, very easy navigation for a vessel of any size. Cebu is on an island of the same name. The small Island of Macton lies about one mile distant, making a straight channel up to the city. The Island of Bohol is also in sight. The Island of Cebu is about one hundred and fifty miles long by thirty miles average width. A railroad runs twenty miles north and forty miles south of the city. They are very short of freight but everything is being done that can be to encourage farmers to produce more; in fact, they are doing a work that properly belongs to the agriculture department of the government. Cebu presents a fine appearance from the ship's deck; that is, from a commercial viewpoint. The city has a fine concrete seawall about two thousand feet long with eight hundred feet yet to build. The upper end at low water has eighteen feet of water, the center twenty-four feet, and the north end will have thirty feet when completed. The custom house is a fine, large, three-story building sufficient for a city of half a million inhabitants. Several very large warehouses of the most substantial construction, all of concrete, are on the made land, leaving a dock space of two hundred feet for a street or esplanade. Taking it all through, it is one of the most complete little ports I have ever seen. A fifty-ton crane is installed. Railroad tracks extend all along the front of the docks so that a vessel can get good dispatch and at a minimum cost, and it is practically a free port, as it only costs nine pesos to enter and clear; there is no charge for tonnage dues or wharfage. In coming in from the north a pilot can be had seven miles from the city for twenty-five pesos, but this is not compulsory. I recommend employing one inward but not outward, as a stranger would be the better for advice how to dock. The ship drops her anchor abreast of the wharf, and it is customary to drop a kedge aft,

for which I failed to see the necessity except in the case of a deep-drafted vessel, as the water shoals at the foot of the seawall. The channel is excellently well marked by buoys, beacons, and lights. In fact, I don't know of any port better marked. The exports in their order are: hemp, copra, and sugar. Many small steamers and small schooners make their home port here and gather the products from adjacent islands, making this the export port. This is quite central and should grow to be a big port, but the complaint is that farmers refuse to produce more and it may take time to get them out of the old way, which was only to produce what they actually required for their necessities,, and which is not very much. A few cocoanut trees, or bananas, and a patch of rice fills the bill. A very small piece of cotton cloth clothes the family, and all their wants are supplied. How to induce them to produce for export is the all important question before the Americans to-day. If Chinese or Malays were allowed to come into the country in limited numbers, it would revolutionize the country in a short time and make these islands a paradise.

Cebu, like all Spanish towns, has narrow, crooked streets, a big plaza, an old fort, and sixty thousand inhabitants. The Americans have macadamized many of the mud streets and built several roads out through the islands. Over one of them we went ten miles in an auto, and it was as good as can be found anywhere. In that distance we passed a succession of villages, which appeared like one continuous village.

This island has more population than any of the groups for its size, being five hundred to the square mile, the total population being 850,000.

We visited a native sugar mill operated with one caribou, the entire machinery being two upright wooden rollers about twenty-four inches in diameter and three feet long between which the cane was passed, the juice falling into a wooden trough hollowed out of a tree. It was carried in buckets to the large kettle to be boiled, then put into a trough like a small canoe and worked with a shovel until it was all disintegrated, then put in mats made out of bamboo, taken to the seaport and sold for export. It was very primitive and would be all right but for the fact that 30% to 40% of the sugar is left in the cane.

We also saw them preparing copra. The cocoanuts are gathered, quartered, and the shell separated from the copra. For sun drying it is broken into small pieces and spread on the ground on mats where the sun gets at it. It is turned frequently until dry, when it is packed in gunny sacks. If to be dried by fire, a lot of bamboo poles are spread out three feet from the ground, and copra spread out on them, a fire of cocoanut husks is then lighted under the poles and kept burning until the copra is dry, which is really more smoked than dried, coming out quite black; whereas, the sun-dried is fairly white, but it could all be dried in the ordinary, cheap fruit dryer and come out perfectly white, and as there is plenty of fuel in the husks the expense would be reasonable.

In a park in Cebu near the water front is an altar erected to the memory of Magellan and the priest who said the first mass at this place four hundred years ago. Shortly after Magellan arrived here he was invited to a conference with the chiefs. On the small Island of Mactan (or Macton) opposite the city where he was murdered by the natives, a monument marks the spot where the deed occurred. This can be seen from the deck of a steamer a few miles after leaving, going north. He was one of Spain's most famous explorers and on this voyage he passed through the Straits of Magellan which still bears his name.

The manager of Joaquam Castro & Co., a Chinese firm, Mr. Alfonso Zarate Sy Cip, generally called by the two last words, gave a banquet in our honor at which twenty were present, of which only two were Chinese, the rest being the leading merchants of the city. We had a very pleasant party.

Mr. Muir, manager of Stevenson & Co., gave us an automobile trip ten miles out of the city. The Collector of the Port, Mr. Bennet, gave us a launch, so we were well taken care of.

The British steamer "Kenebeck" of the Standard Oil Company, arrived to finish loading a cargo of hemp and copra for New York.

The city seemed to be kept fairly clean. In the business part the offices are mostly upstairs in warehouses. The buildings of the town are small, nearly all live upstairs. In the very poor section, the buildings are sets of ports six feet

or eight feet high with a ladder going up to the living room. We arrived at the mouth of the Ganao River on the Island of Negros in the early morning. It is very shallow and the steamer anchored in four and three-quarters fathoms about two miles from shore. There is a small village called Sagay on the right bank. When we entered it was low tide and our launch grounded several times, as we took the right channel instead of the left which is much better and is marked by tripods or bunches of bamboo poles. Our launch drew eighteen inches. After getting into the river we had plenty of water, as there was four feet to five feet all the way to the Insular Lumber Company's mill seven miles up. The river is about two hundred feet wide and it is a very nice sail up to the mill. The lumber is taken from the mill on barges, or rather scows, which carry 200,000 feet to 250,000 feet. At present they are towed to Manila by an ocean-going tug. Old Erie Canal barges had been used, one of which was lying keel up, another on her beam ends, and still another was high and dry with a big section amidships gone, and scattered along the river on the way up. The transportation end of the business did not look prosperous. In trans-shipping at the mouth of the river there is no shelter, but four miles east is the Island of Suyac, a small island, but a good sheltered anchorage. On the southeast side there is five fathoms, so loading could be carried on there at any time.

On the way up the river we passed a large sugar plantation which seemed prosperous, as several new buildings were going up, thanks to the high price of sugar. They have two lumber mills, one on each side of the river. The larger mill has a fourteen-inch band mill with all the modern improvements; in fact, a complete, up-to-date mill driven with a fine pair of Corliss engines. Their boiler capacity is rather limited, but they will put in another one which will give plenty of steam, as they are using a Dutch oven for better burning of the wet sawdust and slabs. All the lumber seemed to be well manufactured. I noticed it was one-sixteenth extra in thickness, which they told me was customary as it shrinks this much in drying. They have no planers and all the lumber is shipped in the rough. The logs they were sawing produced lumber either clear or cull, but large logs were defective in the heart.

They told me a block in the center of most logs had to be burned on account of defects. They were sawing red and white lawam; the former is called Philippine mahogany when shipped to America. They have large sheds for sticking their lumber and appear to take good care of it; and they have a good machine shop. Their two Shay locomotives were out of commission, so I could not visit their timber and logging camps without staying over another day, so I did not consider it of sufficient importance to wait over.

The small mill across the river looked to me to be a very economical one. It is a fifty-six inch circular mill with a top saw, edgers, trimmers, and all the necessary machinery, two engine feed, over-head canter, etc., but the engine was only 12x16 inches working on 120 pounds steam and they only had one boiler which was far too small, but with a little more boiler and engine power it would make a very good mill. They propose to move it across the river and put it alongside of the big mill and have it cut the small logs. The product of this mill is slid down on skids onto barges, a very cheap way of handling it. Both mills have good, but small, log ponds. While the plant is comparatively new, it has been very much run down, and since this new management took hold of it a few months ago, they have done a lot of work and are still doing a lot to get it up to date. The woods and logging is the most important part of any saw mill. With the plant they have, they can cut a lot of timber at a price that will show a profit, provided the logging does not cost too much, and provided further, that they do not dump too much money into the plant.

The means of transporting the lumber to market seems to be a very uncertain quantity and does not appear to be settled, the mill being seven miles up the river and the bar at the mouth being so that one can wade all over it at low tide, and the tides are only five feet to seven feet. If they can transport lumber on flat bottomed scows three hundred miles on the ocean successfully, they will do a thing that has been a failure anywhere I have seen it tried. To offset this, they have to deliver most of their lumber on scows in Manila and they must transport it all on scows to the mouth of the river, so if it were

possible to carry it all through to its destination on scows without breaking bulk, it would be all right. It is rather a hard problem for them to work out successfully.

After leaving the mouth of the Ganao River, eight miles west we passed in sight of the Negros Occidental Mill, a new concern just started. Their timber land is adjoining that of the Insular Lumber Company and I expect the conditions are about the same. They, also, have an open port, no shelter, and all must be scowed out.

ILOILO, December 12, 1911—We arrived here at 7 p. m. and spent one day and two nights. We lived on board the steamer. The port is on the river, which at the mouth is protected by two breakwaters. A good anchorage can be got off the mouth, but at certain seasons during southeast monsoons, it gets rough, necessitating the stoppage of loading. The warehouses are on the banks of the river, and to give quick dispatch they load sugar from the wharf and lighters on the other side. As much as fourteen hundred tons has gone on board in one day, but the average is about six hundred tons to eight hundred tons. On what is called the lower reach where three steamers can lay at one time, there are twenty-four feet at mean low water. Fourteen hundred feet of concrete seawall is completed; and there remains sixteen hundred feet of wall to be built. The government is building about six hundred feet a year, and the channel is kept dredged out. The warehouses are old and out of date, although Walter Barnes & Co. have two large new ones built and others are in the course of construction, but the seawall is keeping them back and the government cannot build it any faster on account of want of money.

There are several progressive (English) firms here, Stevenson & Co., Walter Barnes & Co., Karr & Co., Smith Bell & Co.; and in imports, Castle Bros. & Wolf.

The streets are distinctively Spanish, narrow, crooked, and muddy, reflecting little credit on the city fathers. The only roads worthy of the name are those built by Americans for several miles in each direction from the city. We went over those roads in an automobile, and can say they are as good and as well kept as in any country, although I must say there

is a great deal to be done yet. As the old Spanish roads through the country can only be described as miserable mud trails, and not even very many of them, no great or permanent improvement can be hoped for until roads are made all over the country, and no rapid development can be expected.

I was very much pleased to see the great number of neat, trim, small fore and aft schooners in this harbor and vicinity, showing that this is a great trading center for the adjoining islands. Before arriving here, I had noticed their absence, while their presence in Japan is so marked, and the junks so much in evidence in China. There were several small trading steamers also here. At present all are engaged carrying the new crop of sugar just commencing to come in from the many small villages near by; about all the available berths were occupied. This being a sugar port, and as sugar was booming, everyone was prosperous and correspondingly happy.

Iloilo Pilotage—Is compulsory and comes high. Our vessels would come under the class of 4500 to 4999 gross tons, British; \$70.00 in and \$70.00 out, gold. Any shift pilotage compulsory and \$35.00, gold, for each move; otherwise, the port is free, no charge being made for lying at wharf. A steamer should not be sent here to finish out if it can be avoided.

We left Iloilo for Cadiz which is on the opposite side of the Island of Panay, about four and a half hours on the train. The railroad is well built and appears to be well managed; the cars comfortable. The railroad company are doing all they can to induce people to go in and cultivate the soil. So as to get more tonnage to carry, they are going to a great deal of expense in demonstrating how they can better cultivate the soil and in showing them what crops will produce the most money for the least cost of labor. The man in charge, told me it was up hill work and discouraging. I saw a great deal of uncultivated land; in fact, in the interior, cultivation was an exception to the rule. It showed a great lack of people, or rather, the want of people who would go on the land and work. It was either suitable for rice or sugar.

Cadiz is a quiet, provincial capital with municipal and provincial buildings, the latter nearly completed; they are of reinforced concrete. Again I have to remark that what the

government does is done well and substantially, either in roads, bridges, or buildings.

We visited the Industrial School, which now occupies the old court house and offices. The quarters are commodious and looked to be well adapted for this purpose. The girls are taught cooking, needle work, fancy work, drawing, painting, etc. The boys are being taught mechanical pursuits of all kinds. We saw them working in the garden and noticed that the students carefully avoided all manual labor or anything that looked like it. They had servants to carry water for irrigation. Whether right or wrong, I do not know, but I got the impression that they were being taught to be ladies and gentlemen and not being taught to work, and not taught that all work is honorable and that the great essential in this world is to learn to work. It may be that the teachers are unable to impress this on them on account of their losing caste if they work.

As to their enterprises, I found practically every merchant in town was either a full, or half Chinese, and that Chinese coolies were not laborers. The best work on the government building was being done by the Chinese, the contractor stating it was impossible to get Filipinos to do the work.

We visited the Baptist mission, where Mr. and Mrs. Russell, our hosts, kindly provided dinner for us and drove us three and a half miles to the steamer landing.

We were much interested in visiting the orphanage where they have sixty children, boys and girls from three years to twelve years old. We found the large building suitable for the purpose. The children were neat and clean as well as the surroundings and reflected credit on the management. The children had supper when we were there; they had plenty of good food and all seemed happy. The dormitories were large, airy and clean, as were their beds and bedding. Altogether, we were favorably impressed.

They told us that the Protestant churches are increasing throughout the Islands, and their churches are filled at every service. We visited the Roman Catholic church, a very large building and quite attractive inside. They told us that at every service it was crowded, so evidently they are a church-going people.

We visited the home of a rich sugar planter for the purpose of seeing how he and his family lived. It was a treat. The house was large, like all Filipino houses; they did not occupy the ground floor, but used the next floor for living rooms, and the second floor up, for bedrooms. All the rooms were larger than in American houses, I might say twice as large as ours at home. We saw ruins of several large houses, showing the town had gone back since the good old Spanish days.

The harbor of Cadiz is three and a half miles from the city and the channel is narrow and crooked, with only fifteen feet of water, so it is unimportant; but having a railroad to Iloilo, the harbor is not required much, although small coasting boats call there. The small wharf is concrete and broken down. In conclusion, I would say that the Island of Panay is rich in agriculture, but requires labor to develop, there being too much land not in use.

We left Cadiz landing 9:30 p. m., the launch from the steamer coming for us, and we sailed at 10:30 for Mangarin on the Island of Mindora, arriving there at 10:30 a. m., Thursday, December 14; anchored in harbor and went ashore, then going by train ten miles to the sugar mill. The road is a three-foot gauge, but not all ballasted. It will be a good road when put in order. The sugar mill is well advanced, but no cane will be ready for grinding for a year. They have a town of small houses and are employing fourteen hundred men. At present have over five hundred acres planted out. They propose bringing raw sugar from Iloilo and refining it to supply the Philippine market; but at this time next year they will have their own cane to grind. They are expending large sums of money, have fifty thousand acres of land and one of the best mills that money can buy; and the soil situation and possibilities are such that they no doubt will make good, as they thoroughly understand the sugar business. They claim to be very much handicapped for want of labor on the start, but that has to a great extent been overcome; otherwise, they would have had a crop to grind this year. Their wharf is too small for tramp steamers, but they propose to enlarge and extend it some three hundred feet. It is built on a sand spit,

which has been silting up, and there is much less water now than a year ago, so before a steamer attempts to berth, soundings should be taken.

The harbor is perfectly protected and easily approached, as there is plenty of room and water, although there are some shoals laid down on the chart which must be avoided. On a sunshiny day, on account of the clearness of the water, it is easy to see the shallow spots.

We sailed from here at 3:30 for Manila. We certainly have had a very enjoyable and pleasant trip, and accomplished all I set out to do. Had we gone by the regular steamers, it would have taken from two to three months to have done and seen what only took eleven days.

Our trip around the islands occupied eleven days and we covered about seventeen hundred miles. The places visited were Calipan and Porta Galora, Island of Mindora; Binahain and Camico on Raga Bay, Island of Luzon; Batan Coal Mine, Rapa Rapa, an island near by; Tackloban on Island of Leyte; Cebu, Sajay, Garao River, Iloilo, Cadiz, Mangarin, on Mindora. On our return to Manila we saw one of the much talked of fiestas. It was to commemorate the three hundredth anniversary of the founding of the College of Santa Fomo. It was a great affair. Many fine floats, banners without number, bands, and men in all kinds of uniforms. After it all passed on, the thought came to me, in all this display not one American flag was visible. They were preceded by American constabulary, but even these did not show their colors. To an American, it certainly seemed very strange.

We have occasional showers, but it continues warm and the shade is very acceptable, and in the office section, fans or punkas are necessary.

ADDRESS OF MR. ROBERT DOLLAR BEFORE THE QUILL CLUB, IN
THE HOTEL DE FRANCE, MANILA, THE EVENING OF
DECEMBER 22, 1911

I HAVE been requested to talk to you on shipping and Manila as a distributing center.

Before commencing, I wish to compliment the Club on the beautiful table decorations, and also to congratulate you on the absence of wine.

A year ago the Commissioners from the Associated Chambers of Commerce of the Pacific Coast, while at Hankow, visited the Yangtse Engineering Works. The manager came to me very much distressed and informed me that they had plenty of wine, but there was not a glass within seven miles of their place. I told him to leave the matter in my hands, and I would arrange it satisfactorily.

On the assembling of the party at the table, I called their attention to the beautiful decorations, as I have done to you to-night, and the absence of the wine on the table, and said Mr. Wong was the only man that had entertained us in the Empire of China that thoroughly understood Americans because he had no wine on the table. He was given a great ovation for knowing Americans so well.

I am pleased to see the great movement amongst you in your endeavor to make Manila the distributing port for the Far East for American goods. In order for you, however, to accomplish this result, you must be able to compete with Hong Kong and Shanghai, the present distributing centers for the Far East. You must make it easy and cheap for ships to enter your port and discharge and load cargoes. You must cheapen the cost from ship to shore; the delays to ships must be avoided by providing better facilities for handling cargoes. When this is done, you will be able to demand of the ship owners the same rate as your more favored neighbors get.

As you are probably aware shipping men have a differential against Manila. This you can eliminate by providing plenty of lighters, giving the ship quick dispatch, or if the ship comes

to your wharves, you must provide facilities for getting rid of the cargo, so that the ship will not be delayed.

There is no way that cargo can be handled as quickly as by lighters, and when the ship comes to the wharf, an ordinary cargo steamer has to pay about \$30.00 a day for the privilege.

When the government builds other wharves, I would suggest to the Merchants' Association that they request the government to build the wharves much wider and to provide railroad tracks on the outside of the shed each side of the wharves. The sheds now come so close to the steamer that a large steamer has difficulty in lowering cargo between the ship and the shed.

Furthermore, when heavy cargo is to be loaded or discharged, it has to be carried from the railroad, in the center of the wharf, to the outside, so that by having a sunken track on the side of the wharf, all heavy merchandise and machinery, especially bulk cargoes could be loaded directly on to the cars, and stored in the warehouses, which are proposed to be built on the fill—thereby decreasing the cost of handling such commodities as iron, cement, flour, machinery, and all heavy bulk cargoes. This will effect savings to your merchants.

Coming more particularly to shipping, it is a crying shame that our government has not caused to be established a direct steamship line between San Francisco and Manila. I consider it nothing short of a national disgrace that passengers, and especially mails, have to be peddled through various Japanese and Chinese ports, ultimately reaching Manila in double the time that should have been occupied.

The steamship line running direct should be paid full and liberal compensation for services rendered in carrying the mail. I am opposed to subsidies, as I do not consider them necessary when the service can be rendered without costing the government anything: namely, as was proposed some years ago to turn the transports over to a company who would agree to run a line of steamers twice a month from San Francisco to Manila, the time occupied not to exceed sixteen days on the voyage; the government to give this line the carrying of all its freight, troops and passengers, at a price less than what it costs them now. By doing this, the line of steamers would be able to carry out this service without any com-

pensation. The transports could either be laid up, or engaged in other service, as they are too slow to maintain a reasonably fast service across the Pacific.

Coming down to coastwise navigation. When I look into the prices that the ship owners charge you merchants I consider it outrageous, but when I come to investigate the unreasonably slow dispatch that steamers are getting, I came to the conclusion that they are not charging you quite enough. In all seriousness, I see that this condition of affairs is a great handicap on the commerce of these Islands, and should be remedied at once, you merchants giving the vessels cargoes as quickly as they can handle them, and taking it away from them as quickly as they can discharge; also, you in turn, forcing the shipowners to handle cargoes as expeditiously as is done in other countries.

Coming down to inter-island navigation, I would say that the aids to navigation in the way of lighthouses, buoys, and beacons, are much better than we have on the west coast of America, and reflect great credit on the government of these islands. In this connection, I would also call your attention to the great work that the government has done for you in the way of providing such a fine harbor and docks here, and the fine harbor they have made in Cebu, giving them a custom house that would be worthy of a city of a quarter of a million inhabitants. In Iloilo a good deal of work has been done and a great deal is under way, so that in the near future, those two ports will be a credit to the Philippine Islands.

Now, I come to what the Islands want. There is a dense ignorance in the United States on the conditions of affairs of the Islands, and the process of education is absolutely necessary to dispel the lack of knowledge which prevails at present. In this connection, I would say that you have taken a step in the right direction in sending Mr. Steward as your commissioner to accomplish this result. It is a common fallacy that these Islands receive a large sum from the United States Treasury to keep up this government. I would remind Mr. Stewart to convince our people that this is not the case.

Of all the States, and especially of all the cities that should be interested in your welfare, are California and San Fran-

cisco, and I am very sorry to say that there is a great lack of interest even in the city of San Francisco in your affairs.

On my return home, I will do my utmost to change this indifference to active co-operation with you. We are especially interested there in Oriental trade. As a proof of this, we sent a commission from the Associated Chambers of Commerce to Japan. They in turn, sent a commission to pay a return visit; and last year, the government of China sent an invitation to the merchants to visit them from our coast, and I now carry with me an invitation for the Chinese merchants to visit us, next year. We have provided an itinerary for them which covers twelve thousand miles by rail in our country, and involves the visiting of sixty-three of our largest cities. I mention this to remind you that you have never sent us a public invitation to visit you, neither have the merchants of the Pacific Coast ever sent you an invitation to visit us. Therefore, the lack of interest seems to be mutual.

I would ask you, gentlemen, to think seriously of this matter and endeavor to create a closer friendship between yourselves and ourselves.

I now come to a matter which is of vital interest to us all: that is, the 1915 Exposition in San Francisco. The Directors of the Exposition appointed me a Special Commissioner to the Empire of Japan and China to induce those countries to make a large exhibit. I met the authorities in Japan and had a favorable reception, and hope before I leave for home, to accomplish good results. I then went to China; but as my mission was to the government, and as I failed to find the government, did not accomplish anything.

A significant fact in this connection is that our people did not commission me to speak to you on this subject, they knowing full well that your interest would be sufficient without words of mine, and that the Philippine Islands will make one of the best if not the very best exhibits of all the countries that will participate.

From the talks that I have had with your merchants, I am quite confident in saying that it is unnecessary to urge you to accomplish those results, so I will go back to the Directors of the Exposition and report to them that everything will be done on the Philippine Islands necessary to have an exhibit of which we will be proud.

I thank you for your kind attention and would say that I trust that you will take my remarks in the spirit they were given—a sincere desire to see prosperity on the Islands.

In conclusion, I would say that no people could have done more toward making my stay a pleasant one than you have. This applies equally to the Government, Governor General, and you merchants, and you may rest assured that on my arrival home, I will do what I can to forward your interests.

About 100 representative men of Manila attended the dinner. In fact, a full list of American business men who seemed to be much interested in what I said. Several spoke to me about it, next day. Mr. McMee of Australia spoke on Australia, and Mr. Adams of Cleveland, Ohio, on the use of refuse hemp, which was practical and to the point.

Exposition—The people are in dead earnest in making a great exhibit in San Francisco in 1915, and I feel sure it will meet our most sanguine expectations.

Direct Steamship Communication—They are very much alive to the necessity of this, and I think a concerted effort on their part, backed by the Associated Chambers of Commerce, would have some effect.

Business in General—Throughout the Islands business is very good, and on account of the high price of sugar is likely to keep up, so we can look forward with confidence to an increasing trade during 1912. There can be no doubt but that the Islands are by far the most prosperous of the whole Orient to-day. Had the revolution not broken out, China would have been a close second.

Steamer "Ruby" Bound From Manila to Hong Kong

Christmas, 1911—I forgot to write that the Californians have a club and that they gave me a complimentary luncheon at which I spoke of California matters of interest to us all. I said I had a message of good cheer for them on the great improvement that is going on in the State of California and the city of San Francisco. The election of Rolph, and the confession of the McNamaras mark a new era for San Francisco as it had been held back and bound down by labor unions. The consolidation of all our big commercial organiza-

tions and the hope of having a Greater San Francisco before the Exposition opens; the location of docks at the Fair grounds so that ships can discharge their exhibits on cars to go direct to the various buildings appealed to them, and they will be as one man in doing all that is possible to get good exhibits and plenty of them.

We had a very pleasant two hours, and I must say they are a fine lot of fellows. I cannot help remarking on the great change in the men from ten years ago. Then, the goodness and ability of a man was sized up by the amount of whiskey he could get away with. Now, the ordinary decent business man is, as at home, measured by his temperate habits. In fact, this change is very noticeable over the entire Far East, but more particularly in the Philippine Islands. This is shown by the number of young men who have started with nothing and are now well off.

Manila—In further looking over the loading and discharging of the coastwise vessels, I find no improvement in the way of quicker work than ten years ago. Winches as a general rule are not used unless it is to lower or lift the cargo out of the hold and land on deck; from there it is invariably carried to or from the ship on a single plank in about the most happy-go-lucky manner one could imagine. The government has taken the regulation of rates into its own hands, as the Interstate Commerce Commission at home, and have cut some of the rates in two, so this will compel ship owners to force better dispatch. The lumber rate from Zamboanga to Manila will serve to illustrate: The rate is fixed at \$8.00 Gold per 1000 feet for lumber—distance 508 miles. A mill owner boasted to me that he actually gave a steamer 60,000 feet a day. Loading this was a record. A steamer carrying 800,000 feet had been five weeks away from Manila and had not returned when I left on a voyage from Zamboanga; so that the small, petty way of loading and discharging makes business impossible, and for engaging in the coastwise trade I consider the Philippines a good place to stay away from even at rates that are high above all reason—the very highest in the world.

With ocean going steamers it is much better, but take the case of the "Bessie Dollar." A deck load of piles always goes

overboard in one day, but here they have to be cribbed many tiers deep, the result being 156 pieces discharged first day, and 190 pieces the second day. In the future, we must exact a much higher freight than to any other port. In lumber the very best we can hope for is a maximum of 200,000 feet daily. It takes two men to do the work one Chinaman would do, and the same results can not be obtained. For comparison, see the time one of our steamers takes to discharge in Shanghai or Manila. In time, I think it will improve, but that is quite a long way off. We will have an opportunity of finding out how they can handle copra, as we have 5,000 measurement tons to go on board.

The government very kindly put a steam launch at my disposal to take me from Manila to Battan across the bay, twenty-five miles distant, to visit the lumbering establishment of the Cadwallader Gibson Lumber Co. Mr. Cadwallader was good enough to accompany me and show me around. We landed at the mill, which is on the edge of the bay. It is new and some construction work is yet being done. There are two mills close together with separate power for each. A band mill looked to me to be about twelve inches, and the other about fifty-six-inch circular with small top saw, each one having the necessary adjuncts of edger, trimmer, etc., capable of handling the output of the head saws. Nearly all the logs are sinkers, so the cars are expeditiously unloaded with a very good steam crane or derrick, and piled up conveniently at the log slips. The finished product is slid down skids to barges or scows, where it is loaded for Manila, the entire output going there. At high water, barges can go out of the small river from where they are towed by the company's tug, a very cheap and good way of handling the cut as long as Manila can take it.

All the buildings presented a neat appearance, and the employes are well housed. The general appearance of the plant appeared to me to be in a healthy and very ship-shape condition. One thing, however, struck me very forcibly, and that was the number of men employed. In many places in the mill I saw as many as three men doing the work that one American does at home. Surely two men should do the work

of one man, or they are a very worthless lot and not deserving of Mr. Taft's definition "Our Brown Brother."

The railroad equipment is a little short of cars, but plenty are on the way. They have two Shay locomotives, one 25-ton, the other about 18-ton. They were fortunate in selecting this type, as no other could operate on the extremely difficult railroad.

Logging Camp—They also have a small Porter locomotive. Except for switching or light work it is not of much assistance, but the two Shays are ample for all their requirements. I have built many logging roads, but this one is the most difficult one I have seen. I was one of the organizers of the Mt. Tamalpais Railroad, and we thought it a great undertaking, but this road is even more difficult. Their camp is 900 feet above the ocean, only four miles away. They have held the maximum grade down to about seven per cent, and even with this they have a long switchback so as to gain the elevation. In going further, they will be compelled to put in an incline which is undesirable, but it looks as though it can not be avoided. These people certainly deserve the praise and commendation of the government in opening up and developing such a difficult logging operation, and furnishing money from timber dues from a country that to an ordinary lumberman would seem impossible. I was pleased in going beyond their cutting into the forest, to see that the timber was better and the country more advantageous for lumbering. All this they richly deserve for their pluck and get-up. I was especially interested in the actual logging operation in such a rough, broken country, as in all lumbering here is where the money is made or lost. I found their equipment the very best and most up-to-date. As it all came from the Pacific Coast, there was nothing new to me. The method of handling the logs was the same as in Washington or Oregon, except as changes had to be made to suit the changed condition of this very rough country. With us, one donkey takes the logs from the stump to the railroad. Here, they have to use two relays. For instance, one donkey brought the logs from the stump to the edge of a big ravine; then another donkey took them across the ravine by an overhead $1\frac{1}{4}$ -inch wire and trolley; then a third donkey loaded them on the cars; and still

another donkey hauled them from stump to track, where a small one loaded them on the cars. From the foregoing, you will see that logging is not a cheap proposition. The railroad was all laid with 40-lb. steel; the track well built, and the bridges very substantial. The road is new, but I saw some ties that had rotted, so they must select wood that will not rot as soon as it is put in.

At the camp, I noticed a number of families living in houses that had just been erected. I inquired about the title to the right of way, and was astonished to find they had no title and that any one could homestead a claim across their track, fence it off, and shut their wind off. Surely all that would be necessary would be to make the proper representations and get a proper deed to the right of way as is done in any other country. It is enterprises of this kind that will ultimately be the backbone of these Islands, and as time goes on they will be more appreciated than they are now. In this connection, I heard the Speaker of the Assembly say that he was opposed to the government selling large tracts of land and wanted the land kept for the Filipinos. From what I have seen of them, it would run away into the dim and distant future before the Filipinos would start enterprises similar to those I have tried to describe.

SHANGHAI, Jan'y 13, 1912—Matters connected with the revolution are moving so fast, it is about impossible to keep in close touch with them. It is like looking through a kaleidoscope—every time you look it has changed. Peace negotiations have fallen through and war will be resumed. The great movement is now on Peking, and revolutionary troops are moving from Hankow in that direction. During my absence in Manila, Nanking had been taken by the republicans. A big movement is going on from Nanking by way of Pukow over that railroad, but there is a 100-mile unfinished gap between there and Tientsin and they have little rolling stock, but that is being ferried across the Yangtze from the Shanghai-Nanking road to Pukow. Then another army is on board several steamers on the way to Chinwangtao. It will be some time before they can concentrate those three armies, and I hardly expect the attack on Peking will take place until the three armies concentrate in front of that city.

Very little fighting has occurred lately. The Imperial soldiers at Lanchow coal mines mutinied and they had a battle; the Imperialists prevailed. The Imperial troops after the capture of Nanking retreated towards Peking by way of the Pukow railroad. They must be at Peking if they kept on going. The rebels are gaining fast in numbers every day. That is about the military situation.

Political—Sun Yat Sen has established the government in Nanking and is rapidly getting a modern, up-to-date government into shape. They claim to be getting in plenty of money, and they are certainly paying their bills and the soldiers as they go along. No doubt they will have trouble in harmonizing the ambitions and plans of their own members, but they appear to succeed. I think it was a mistake to have moved Wu Ting Fang from Minister of Foreign Affairs to that of Laws, as he is well informed on Foreign Affairs. I had an interview with him the other day, on the subject of recognition by the United States of the new republic, which showed me he was thoroughly master of the subject.

January 18, 1912—The military situation remains about the same as outlined in my last, except that all the Imperial troops have left Hankow and Hanyang and retreated towards Peking, leaving the rebels in full possession of all the territory centering towards Hankow, Wuchang, and Hanyang, so peace is restored for the time being in that much afflicted country.

It is now reported that the Revolutionists are concentrating their forces in Chefoo, preparatory to crossing the Gulf of Pechili to advance on Peking. At Woosung, yesterday, I saw four transports. One was fully loaded with soldiers, the others evidently waiting for their allotment of revolutionists, no doubt destined for Chefoo. There is still great activity in military affairs, and soldiers can be seen moving in every direction. From all accounts, the Manchus are making great preparations to prevent a landing along the shores of the Gulf of Pechili.

Political—An attempt to blow up Yuen Shai Kai with a bomb failed, but some policemen and attendants were killed. Yuen was on his way from the Forbidden City to the Foreign Office, where he lives. He had been to a conference with the Manchu Princes. It is generally reported that the Emperor

would abdicate the throne and the Court would move to Ichol, where the late Empress Dowager went during the Boxer troubles. It looks as though this is the best move—try and get a fixed sum per annum, and step down and out—as in reality there is no show whatever of their retaining power, and if they fight it out to a finish, they will get nothing; but from all accounts, the Royal family have any amount of money. In fact, it is very hard to believe the accounts of the stealing of the peoples' money by the higher-ups.

Reception—The fifteenth of January was the celebration of the formation of the New Republic, and a grand reception was given by the Chamber of Commerce to which we were invited and which we attended. It was given in the Great Temple to the Queen of Heaven. This great rambling building occupies a block in the city of Shanghai. There must have been over one hundred Chinese merchants receiving at different places before we got to the Holy of Holies, or Inner Court, where we met the President, Vice-President, and some leaders of the revolution. Here, wine, cake, tea, etc., were served in regular old Chinese style. At this function we met all the leaders in the Chinese community and they seemed especially well pleased at my visit. The crowd on the streets was so great that even with the assistance of the police, we could not get to the door of the temple with an auto, so got out and crowded our way to the entrance. Once inside, all was in perfect order. We left the building by another door. Here, the crowd was packed so densely that it seemed impossible to get out, but a company of Seiks cleared a way and we got into the crowd but had quite a job to regain the auto. They were all in good humor and there was no violence. In fact, they were glad to see us. On all the streets in this vicinity, as far as the eye could reach, it was a seething mass of humanity. The reception was held from 2 to 4 o'clock.

CHINWANGTAO, January 23, 1912—On arrival here, we found the harbor full of steamers, and had to remain outside all night until a steamer sailed to give us a berth. The water had a skim of ice on it as well as the ocean outside, but it was only a couple of inches thick. The transport "Logan" had just arrived with 700 American troops from Manila. The other vessels in the harbor were coasting vessels.



CHANG CHIEN

**President of the Provincial Assembly of Kiangsu Province.
Minister of Commerce during Provisional Government
Is expected to head Party to Visit the U. S. in 1913**

On arrival, it was not necessary to be told we had arrived in a country that was engaged in war. British soldiers boarded our steamer to guard it, and a strong guard of German soldiers patrolled the wharf. Many Chinese soldiers were to be seen everywhere. The fortification on the hill had its guns all trained on the harbor and entrance. On shore were the camps of the various nations, each having a company of soldiers. The wharves were littered with military supplies of all kinds. We learned that three successive steamers had brought in \$1,800,000.00, \$1,500,000.00 and our steamer \$1,000,000.00. It is said that money is the sinew of war, so evidently they are getting ready.

On the train to Tientsin were all kinds and conditions of people, a great many soldiers of various nations, and many Chinese. Every station was guarded with foreign troops and great quantities of army stores were stored at every station along the line. At Langshaw we passed through what was the battlefield of a few days ago, and on the side of the track were the bodies of some officers who had been beheaded. They were stripped naked before decapitation and their bodies were not buried, but left to be eaten by dogs. This was the punishment for rebelling against the Imperial Government.

TIENTSIN, January 23, 1912—This winter has been very mild. The upper reaches of the Pei Ho have not frozen over and boats are still in use. The lower reaches are frozen over, but a steamer was in at Tangku on the twelfth of January. This has not been possible for the past thirty years. This is fortunate for the troops that are encamped. Six thousand soldiers from various nations are in this city. Last night, three hundred and fifty Americans arrived. The British sent a band and half a regiment to the railway station to escort them to their camping ground. I was pleased to see it, as it showed a fraternal feeling between the two nations. They are a fine looking lot of men and it is hoped they will get away with as good a reputation as the last American troops did who were here during the Boxer uprising.

Political affairs are badly mixed. An attempt was made to assassinate Yuen Shi Kai, who never returned to the Imperial Palace, but some of the Princes have visited him at the Foreign Office where he lives. Since the attempt on his

life, the Emperor has refused to abdicate. Previously it was all arranged that he would, so in Peking they appear to be at sixes and sevens, and in this great uncertainty no one knows what is going to happen. Yuen has about 5,000 troops who are loyal to him, and the Manchus have over 10,000 troops all ready to fly at each other's throats. All of this is outside of the rebels who are advancing on Peking, but yet a considerable distance away. To-day, I learned that the railway was cut forty miles this side of Hankow. The revolutionists evidently have gotten that far, so I have about decided not to attempt to go by rail to Hankow, but will return by boat from Chinwangtao to Shanghai.

Political—The past few days have been anxious and exciting. We were quite sure the Emperor would abdicate as had been promised, but it appears at the very eleventh hour a disagreement took place between the Princes and Yuen Shai Kai, and now it is reported that the attempted assassination was from the Manchus, and not from the revolutionary side, and that one of the Princes paid \$42,000.00 to get the job done. It now looks as though this version of it is correct, as he has refused to go into the Forbidden City ever since. Mr. Montigue, our manager, was in a lumber yard in Peking when the bomb went off. He was about 200 feet from the spot and immediately ran to see what was the matter. All of the Chinese about him were arrested, and he had an excellent opportunity of seeing the affair. In a few seconds every street was blocked by soldiers. He said they came from all directions, so there was no chance of escape. Many ran into the lumber yard and were arrested. He, being an American, was allowed to walk around. He got some excellent kodak pictures right on the spot. It caused great excitement, and if it had been known that the Manchus were implicated, war would have started right there. To give an idea of the troubled state of affairs, as I am writing, our compradore came in and reported that General Chang came in on the train from Peking and got into the station a short distance from our office, when a bomb was thrown at him and exploded, but he came out of it unhurt almost by a miracle. A policeman who tried to arrest the assassin was shot down, but the latter was afterwards captured. It does not take months to get a jury

as in California. Tomorrow morning the assassin will lose his head, as it is sure death to attempt assassination now. All officials are strongly guarded at all times by either the police or soldiers.

Military—It is reported that the army now marching from Hankow to Peking has gotten about half way and has possession of the railroad from where they are to Hankow.

Regarding the army marching from Pukow, no reports are published, but several detachments have been sent after it to increase the force. At Chefoo about 5,000 revolutionary soldiers have assembled and reports say many more are on the way. I think a large force will be assembled there before attempting to cross the Gulf of Pechili to land in the vicinity of Chinwangtao. I say "vicinity," as the powers have notified the republicans that this port is neutral and that they must not attempt to land there as they would meet the resistance of the foreign troops. As their troops are all raw recruits, no doubt they will delay the attack as long as possible so as to get their troops well drilled.

There are about 10,000 foreign troops in Tientsin. There is no means of knowing the number of Imperialists, but I do not think there are many, as the treaty stipulates that no armed Chinaman shall remain nearer the city than one mile, so the camp is outside, but most of the men are at the towns near Chinwangtao. Two thousand soldiers passed here today on their way to Peking, as report says there is great danger of a fight there between Yuen Shi Kai's men and the Manchu soldiers, so it has gotten down to a three-cornered fight now—Imperialists, Yuen's men, and revolutionists or the soldiers of the republican government. I think this city is full of revolutionists who are just waiting the advance of their soldiers to come out openly and capture the city, which will be a prize on account of the mint and the arsenal.

PEKING—The run from Tientsin to Peking takes three hours by train. On the way, at every station, we saw a company of soldiers, and at a village outside of Peking was a large camp of British soldiers. While the railway is guarded by foreign troops, they are not operating it. At Peking there was the usual bustle on the street, but soldiers of foreign

nations are much in evidence, and in certain places Chinese soldiers line the streets.

I called at the Embassy and had a long talk with Minister Calhoun, Mr. Peck and Mr. Williams, who is First Secretary, and until Mr. Calhoun's return two months ago was *Charge-de-Affairs*. I had decided not to present my credentials representing the Panama-Pacific Exposition nor do anything about it, but he strongly advised me to go ahead, even if the government was very uncertain. So as to get official recognition, I wrote a letter to the Ambassador informing him of my mission, and Mr. Williams went with me to the Wai Wu Pu and introduced me to His Excellency, Mr. Hu, who is the Minister of Foreign Affairs. The introduction was unnecessary, however, as I had met him before. I had a very pleasant talk with him, and he promised that as soon as matters quieted down he would take the necessary steps to ensure a great exhibit. He was especially pleased that the date of opening was so far off, as it afforded them an opportunity of getting the exhibits ready before the time came. I also brought up the proposed visit of the Chinese merchants to America. He was very much pleased to learn this and said when the time came for them to go, the government would do all it could to assist in making it a success and that he would urge the Chambers of Commerce to select their best men to go, as he looked on it as the best thing that could be done to create a friendly feeling as well as to increase trade and commerce.

Political—I found that the people in North China did not understand the situation and conditions in South China. Our Embassy, realizing this, had sent Dr. Tenny to Shanghai and Nanking to learn the real conditions so that our Ambassador would be able to judge more intelligently whether the new government was worthy of recognition or not. On his return I feel sure he will put a different complexion on the views that are now entertained by many in North China: namely, that this revolution does not amount to anything, that the government will not last and that they are quarreling amongst themselves, but I could not find any clear conception of what would happen if they went to pieces, as even here it is conceded on all hands that the Manchus are done for and have no show to retain power, and all admit that Yuen Shai Kai is an

unknown quantity. But I learned from what appears to be inside and authentic information that he has a complete understanding with the revolutionary government and that he is only working to get the Manchus out without a civil war and that he is patriotic and honest in his desire to help China. Others believe that he is working for himself, first to overthrow the Manchus, then to destroy the new government and set up a government with himself as dictator. I am inclined to favor the former and not the latter. However, time can only tell and as stated before, no one can foretell what will take place in China.

In conclusion, would say I received the impression that there was uncertainty as to what was to happen, and that Yuen is working with the revolutionists to keep China together, undivided, and when the Manchus retire, as they must, he will assume control at Peking, and Sun at Nanking and that they will form a coalition government and combine forces. This opinion is held by most of the officials I met. Yuen has now 9,000 troops, all housed in the vicinity of Wai Wu Pu. Either he expects the Manchus to attack him or he is massing those troops to make a showing of force which appears to be necessary at the present time. But the most unfortunate condition is that both sides distrust him and all fear he is playing a double game. I take the more charitable view of it—that he is working for the best interests of China, but I must say that most of the outside evidence points to the opposite opinion, so it is most difficult to get at a correct view of the situation at the present moment.

We had intended going to Hankow by rail, but as the Imperialists have possession of a portion of the road and the revolutionists another part, we gave it up. This morning in the paper was an account of dynamite explosions under two trains, and on account of tampering with signals a collision occurred resulting in considerable loss of life, so I decided to go to Shanghai, thence by boat to Hankow and to visit Nanking in passing.

TIENTSIN, February 1, 1912—On my arrival here from Peking, I found an invitation from the Chamber of Commerce to attend a complimentary reception in my honor to be held Friday at 2:00 o'clock.

The large audience room was full to overflowing with Chinese merchants, and the following invited foreigners:—Major Nathan, Consul-General Knabenshue, the Vice-Consul, Dr. Tenny, and Mr. Montigue. The hall was nicely decorated and in the ante-room, tea, champagne, and cake were served. The President, Vice-President, and most important men of the city received me there. No people could have done more to show me respect than they did, or rather it was not so much to me as to the nation which I have the honor to represent. They showed a most unusual honor in the audience rising to their feet when I rose to speak and remained standing during the time I was talking, and while my speech was being translated to them by Mr. Sun.

All this made me think seriously that in our business relations with them how careful we should be not only to be strictly honest, but to be upright and honorable in the minutest detail, as the whole redounds to the honor of our country. They naturally say this is the ordinary way Americans do and act, and what we do well, goes to the credit of Americans in general; and when we have renegades that don't do right, what they do is charged against Americans and not to the individuals.

Altogether, it was a very enthusiastic meeting and cannot help but do good in creating a closer feeling of friendship between the two nations. To give an idea of how careful we have to be, this community is under the rule of the Manchus.

The last meeting I attended in Shanghai was a reception in the Chamber of Commerce in honor of the members of the revolutionary government. Tientsin is the second commercial city of China and claims a population of over one million.

ADDRESS DELIVERED BEFORE THE CHAMBER OF COMMERCE AT
TIENTSIN FEBRUARY 2, 1912, BY ROBERT DOLLAR

Mr. President and Members of the Chamber:

Before commencing I wish to thank you for the elaborate decorations in this hall, and on behalf of the nation I have the honor to represent, I acknowledge the courtesy you have shown in having the proportion of over three American flags to one Chinese.

I have two subjects on which I wish to speak.

First, the invitation of the Associated Chambers of Commerce of the Pacific Coast of America to the Consolidated Chambers of Commerce of China.

Second, of the Panama-Pacific Exposition which sends a message to you.

As to the first subject—on my arrival at Shanghai I told the Chamber of Commerce of the invitation, but on account of the revolution they asked me not to officially present it then as on account of the war they would be unable to accept. On my return to Shanghai I will present it and recommend its acceptance, but the date is to be agreed on later when the war is over.

Arrangements were completed before I left America, for the party to leave Shanghai in March and go over our railroads a distance of 12,000 miles. A special train of sleeping, dining, saloon, and baggage cars would be provided which the party could occupy the entire time of their visit. Sixty-three of our largest cities would be visited and all our great manufacturing and educational establishments would be shown.

Our late visits to Japan, and the visit of our Commissioners to your country last year (I was a member of each party), were productive of great good. Hence our extending the present invitation to you, knowing that still greater good will come from it also.

The other subject is the Panama-Pacific Exposition.

The people of our country intend making this the greatest Exposition the world has ever seen. Over forty million dollars of your currency has been provided. The Exposition grounds will be located on the Golden Gate, so that the largest steamers can lie at wharves which are to be specially built for this occasion. Railroad tracks will be laid from these wharves to every building, so there will be no trans-shipment of exhibits, which can be returned to the wharves in the same way after the Exposition is over, at a minimum of expense.

We especially want Chinese exhibits on a large scale, as it is intended to make the Exposition of a distinctively Oriental character, and an effort will be made to erect a permanent building so that Oriental wares and products may be on

me in. The offices inside are quite temporary and fitted up with the most modern furniture, roller top desks, safes, carpets, etc. Like all Chinese buildings, the yamen has no chimneys and no way of heating them, but seeing that all the officials have adopted American clothes and must have heat, they put in stoves and shoved the stove pipes out of the windows, which gives this ancient, venerable place a disreputable appearance, entirely out of keeping with the highly ornamental, Oriental surroundings.

When the President learned I was in the yamen, he immediately sent his secretary to bring me to his quarters, which are the only ones of European style within the yamen, and were formerly occupied by Lady Chan and in which she received the ladies of the American Commercial Commissioners' party, two years ago. What a change has come over this place in so short a time. The President, Sun Yat Sen, received me very cordially. I had a letter of introduction from Y. C. Tong, but the President said he knew enough about me, so that an introduction was unnecessary. However, he read the letter which he said was very complimentary. Our conversation was principally on the recognition of the republic by the United States. He was extremely anxious for the recognition from the various nations, as in the official eyes of the nations, they are only rebels as yet.

I pointed out to him that it would be easy after the abdication, as that would force the hands of the other nations, for if they did not recognize his government, the country would be without a recognized government, and I said that abdication should be forced as fast as possible. He said he hoped it would take place within two days; in fact, he said he had information that it would take place the next day. He expressed his satisfaction that American citizens are taking an interest in the welfare of his country and that it would not be forgotten in time to come. He was pleased that Ambassador Calhoun has sent Dr. Tenny to investigate and report on the condition of the new republic. I spoke of the proposed visit of Chinese merchants to our country, and, also, about our 1915 Exposition. He said the Chinese must make a very large and good exhibit, but in the troubled state of affairs no definite arrangements could be made at present, but he would

On arrival in Shanghai, we expect to hear that the Emperor has abdicated.

NANKING, Feb'y 10, 1912—The railroad from Shanghai to Nanking is well run, the roadbed good, as is also the equipment. They run a good dining-car service. The first class coaches are compartment cars and comfortable. The run is made in six hours. The railroad does not run into Nanking proper, as the terminus is outside the wall near the bank of the Yangtse. The town has been built up between the city wall and the river. The railway terminus is called Shaikwau. At this place is the only European hotel, The Bridge House, run by a Mr. Martin. While the house is Chinese of the old style, it is quite comfortable and well kept. It is about seven miles from this place to the Viceroy yamen, so the city of Nanking is an enormous place. The outside wall is said to be twenty-three miles around, and the city is composed of several large villages with cultivated land between them, the entire space being fairly level.

There are no large imposing buildings except the modern ones of recent date, of which the University Provincial Assembly buildings are the most prominent.

The roads are good. A former Viceroy made a fine macadamized road from the landing at the river to his yamen which is in a good state of repair, on which there is a great deal of travel: people on foot, in Sedan chairs, in open and closed carriages, automobiles, men hauling freight on trucks, horses in carts, and the usual multitude with the bamboo pole and two baskets—on this road one is never out of sight of the military. Soldiers continually passed to and fro, and at the gates in the city wall large companies were on guard.

Military—Were in evidence everywhere and the city is well guarded. They seem to be drilling them very hard, as on almost any road, we met companies in heavy marching order. At the yamen, where the offices and headquarters of the revolutionists are located, soldiers are on duty with fixed bayonets everywhere, and it is most difficult to get in. I must say, however, that I had no difficulty at all as I was accompanied by the Minister of Foreign Affairs; but I noticed at two places even he had to show his passport, and he passed

they should easily get the best men in China and make a strong government, headed by Yuen Shai Kai, as President, and it looks as if he will be the military dictator for some time to come. Whether this will suit the country remains to be seen. I do not think that they will hit on the right kind of government at first, and it will have to be changed later on.

Business—Around Nanking there is quite a lot doing, but it is all caused by the establishment of the new government here. Ordinarily there is very little business in this city, and this spurt is but temporary. While the seat of government is located here, and while they say it is permanently established here, I don't think it is. I believe when the coalition government is formed it will be established in Peking so the rush of business caused by the capital will be transferred to Tientsin and Peking.

Yangtse River—The water is abnormally high at this time of the year. An ocean steamer drawing eighteen feet could safely go to Hankow and it is quite possible that there will be no real low water this year, yet it is not safe to predict what this great river will do.

We went from Nanking to Hankow on the steamer "Kinling," of the Butterfield and Swires' Lines, a twin screw boat, and one of the most comfortable and well furnished and equipped passenger boats on which I have ever traveled. I was the only first class passenger. It shows to what extent the revolution has cut into business, when a fine large steamer like this has only one first class passenger. There are quite a number of Chinese, but not nearly so many as usual. The weather is warmer and more pleasant as we get into the interior.

HANKOW, February 17, 1912—On the way here we experienced what is of common occurrence during low water. We stranded a short distance above Wong Shi Quang. Two steamers came to our assistance but were unable to pull our vessel off, so after two days' delay, we were transferred to the steamer "Ganking" and landed at Hankow at 10 p. m., but on account of the disorganized state of affairs had to remain on board all night. On landing, we found the hotels doing business as usual.

The export trade has been resumed on a small scale and produce is coming in by water. Complaint is made that the military still retain possession of the Peking-Hankow Railway and refuse to carry freight. Coal is selling at \$20.00 a ton, and about 100,000 tons of sesimium seed is stored along the railway and cannot be moved, although it could all be exported at once if it could be gotten to Hankow. Many other products also want to be moved, all of which would start money in circulation, which latter is very much wanted after the stagnation and destruction during the war, evidences of which are to be seen everywhere. Even the streets are not yet cleared of the barricades. Many streets have brick walls built across them with loop holes for shooting; sand bags protecting machine guns are still in place, and long rows of brick walls are on the bund with small holes for firing through. All this is in the foreign concessions.

Native City—It is here that the horrors of war can be seen at their worst. Evidence of the terrible shell fire in the shape of broken down buildings. I walked the entire length of the burned city which is just a mass of old bricks. The walls mostly fell into the narrow streets so the only way to know where a street was, is by a ridge of debris. Several streets from the Han river have been cleaned out four or five feet wide. Those are about five or six feet below the surface of the surroundings. Nothing has been done about rebuilding. In fact, nothing can be done until the streets are cleared. Now they talk of remodeling the city, making wide and straight streets, so even the clearing of the old streets has been suspended except where absolutely necessary.

Some people have gone back to their lots and erected huts of bricks covered with old sheet iron or matting. Some very small shops are selling the necessities of life but a wheelbarrow could carry the largest stock I saw. On the edge of the British concession, which was not burned, the streets were terribly congested and a big business was doing, principally in fish and rice, although many hucksters had tables on which were necessary articles. I saw that coopers were hard at work making tubs and pails, showing the total destruction of those articles. I also noticed that the water carriers had new pails. In fact, everything is new. The old city had no waterworks

and all the water used had to be carried from the river. The same is true of the city of Wuchang. I noticed the tinsmiths had started making cooking utensils. On the outskirts of the burned city are what we called refugee camps. I walked through some of them. The shacks are either old sheet iron or matting, the latter predominating; none have any floors, just the hard ground. They are cold and miserable in the extreme, as fuel is almost unobtainable at any price. This adds greatly to the misery of the people, especially during this cold winter weather. Unless something is done to house these people and provide better sanitation before the hot weather comes on, there are sure to be epidemics that will carry off great numbers, but the great difficulty of rebuilding is the lack of money. The more one looks into the subject, the more this is apparent.

After I had arrived at this conclusion, I spoke to several Europeans and found they were all of the same opinion, and the proposition of a large loan had been sent to England, as they say that without outside money, rebuilding on a large scale is impossible. I also took this matter up with the president and vice-president of the Chamber of Commerce who are really the only civic authorities, and on them devolves the responsibility of devising ways and means. They, along with other prominent Chinese, fully realize the hopelessness of the task without foreign money and they are preparing a list of available government property which could be utilized as security for a loan, which, when obtained, they would distribute among the owners of land and take mortgages on their city lots. A proposition is also spoken of to bund the entire city from the custom house along the Yangtse and up the Han as far as the city goes. This would be a great improvement and an everlasting benefit to the city by providing a boulevard the entire length of the water front and giving a breathing space for the citizens.

BUSINESS CONDITIONS AT HANKOW, FEBRUARY 17, 1912

Lumber Sales—Very little is doing. Our lumber yard has just opened and getting ready for business, after a rest of four months; no one has been there except the watchman who lived in a bomb-proof hole in the ground, but the property is as intact as when it was left.

Finances—After walking all over the burned district, I came to the conclusion that the great factor was going to be money to rebuild. I later spoke to many Europeans about it and they all were of the same opinion. Several of them were trying to induce foreign capital to come in, but so far without success. I then saw the leading Chinese headed by the Chamber of Commerce who have taken charge, and they all said their case seemed hopeless without outside money. I do not mean that no building will be done, but to remodel the city and build it according to modern ideas with wide streets. In fact, to build a modern city worthy of the importance of what is destined to be the great commercial city of China, it must be done to a great extent with foreign money. No doubt some will be available, but it is difficult to say how much. The Chamber of Commerce with the consent of General Lee, has made a list of all the land owned by the government in the vicinity, intending to offer it in security for a loan. Then as the money is loaned to individuals to rebuild, the government lands will be released. They are working hard and earnestly and no doubt something will be done in the near future. Unlike San Francisco, they have no insurance money with which to start, as the fire was caused by war and the insurance companies are not responsible.

Exports have been resumed and the movement is quite brisk for the winter, but the railroads decline to carry any freight. If freight could be moved, it would release a great amount of money and be of great benefit to the country. As hostilities are over, no one can explain why this condition exists. As it is, the steamers are all running down the river full of cargo.

Inward cargo is practically nil, nothing going on except some food stuffs and the bare necessities of life.

General conditions for exporting are good and will bring in a quantity of money. The people are hopeful for the future. Of course at the present time suffering is very great. First, the war has left thousands of women and children destitute; then the fire burned them out of house and home. Thousands, many of whom had been well off, are living in refugee camps. I visited some of them—they are built of old sheet iron or matting, the cold, damp ground for a floor and without

available fuel except to boil rice, and it now being cold winter weather, their condition is deplorable. They are very short of clothing only having saved what they had on. Thousands have no covering at night except rice straw. Fortunately those who are able to work can obtain employment, as there is plenty of work at ordinary wages.

Building—In the concessions several large buildings are under construction and I saw some just commencing. I noticed that many buildings had been erected since my last visit. In the native city some buildings are going up, but mostly small, one-story houses of wood, and evidently only temporary. Very few streets have been cleaned, and the bricks and debris cover them from four to five feet deep, so it is next to impossible to get around the city, and all is in suspense on account of a proposal to re-survey the city and lay it out with wide, straight streets. Before, the streets were from six to ten feet wide and crooked. They also propose to build a seawall or bund along the river bank. At present it is just a mud bank, so that at the very best, I can't see that much building will be commenced for at least three months. The conditions remind me very much of San Francisco after the fire; but the condition of the people is much worse. On account of lack of finances, the prospect of rebuilding is also very much worse than it was in San Francisco; but the desolation of the city and the refugee camps all remind me of what San Franciscans came through—intensified many times. The burned area is about two miles along the river by from three-quarters to one mile wide, but the walk along the river seemed to me to be the longest two miles I ever traveled.

Future Prospects—With all of the discouraging appearances at present, I did not see anything to cause me to change my opinion of Hankow being a great commercial center in the future; and it may be that the calamities through which we are passing will all be for the best, and that in a few years Hankow will be all the better for it.

Yangtse River, March 1, 1912—The water has been high for this time of year, but is falling rapidly. When I went to Hankow, a vessel drawing eighteen feet of water could go through, but now about twelve feet is the limit. On the way

up, the steamer on which I was, grounded, and remained fast for four days; all the cargo had to be lightered from her. On the way coming down I saw two other vessels hard and fast. The sand, or rather, mud bars, are continually shifting, and where there is plenty of water this year, next year it may be dry. With proper work being done nearly all of this could be averted and a channel made to allow cargo steamers of twenty-four feet draft to go to Hankow at all stages of the water. No doubt in time reforestization will be carried on, on a large scale, in Szchuen and Tibet. This would equalize the volume of water so as not to have the extreme rise in summer of fifty feet and keep up the extreme low water in winter. At extreme low water vessels of ten feet draft have difficulty in getting to Hankow. Fortunately, this condition lasts but a very short time each year.

In the large cities along the river, business is again commencing, in a limited way. Although all the regular steamers are running full of freight downwards, the up river freight is very light, proving that the Chinese are selling and not buying. Confidence in the new government must be restored; and something must be done either to get the old native banks to re-open (as they are practically all closed), or new banks must be started, as commerce cannot be carried on without banking facilities.

SHANGHAI—On my arrival in this city I learned that the abdication had been completed and that Yuen Shai Kai had definitely arranged with Sun Yat Sen to have the latter resign in favor of Yuen, and also that a coalition government would be formed later. Yuen agreed to go to Nanking to be inaugurated. This is an excellent move as it will tend to unite the North and the South. All of these moves are increasing the confidence of the people, so now we can confidently look forward to the gradual resumption of trade. A deputation went from here to invite Yuen to come to Nanking, which he has agreed to do. This party was headed by Tang Shai Yei and C. T. Wong. I met Tang on several occasions and we became well acquainted. He was educated in America and is one of the coming men of China. He has been Sun's confidential man. I have written of Tang being next to

Yuen, but I consider him the strongest man in China. He is slated for the Premiership. Quiet, perfectly unassuming, serious, dignified, he immediately impresses one as being a strong man of action, and I believe the world will hear much of him if his life is spared. We were very sorry to hear of the death of his daughter with whom we were well acquainted. She died very suddenly. His wife is also dead, so he has had his share of troubles.

After everything was settled, the soldiers mutinied in Peking, their pay being in arrears. Last accounts report peace was restored and that a loan had been obtained, so they will be paid. Many troops are still being sent north, so it is evident trouble is expected.

Yuen is getting well prepared and no doubt will be able to maintain law and order, but as in all revolutions, peace and quiet cannot be restored at once. We must expect outbreaks here and there throughout the Empire, but with a strong army and a strong man at the head of affairs, I have every confidence in the future. By the consolidation of the two armies, I think there must be about 300,000 men in the ranks, and in a short time they will become well drilled and efficient.

The shipping trade of Shanghai has not been so quiet in many years. The harbor looks deserted and in great contrast to the extreme activity of a few months ago. Business in general is picking up slowly, but I think that the improvement will be permanent and within nine or twelve months will have returned where it was. I think, however, that we must look for 1912 being away below the average.

On the twenty-fourth of February, the Chamber of Commerce called a meeting of the Consolidated Chambers in the large audience room in the Palace Hotel. The attendance was large and composed of the principal merchants of Shanghai and other cities. Considerable enthusiasm was displayed and what I said was well received; many questions being asked about the proposed visit, and also about the Exposition, in both of which they are very much interested.

MEETING OF CONSOLIDATED CHAMBERS OF
COMMERCE AT SHANGHAI, AS REPORTED
BY CHINESE PRESS

THE local Chinese Chamber of Commerce received the invitation of the Associated Chambers of Commerce of the Pacific Coast of America to the Consolidated Chambers of Commerce of China to send a delegation to tour the United States at a reception tendered to Mr. Robert Dollar yesterday afternoon. It was practically decided to accept at a later date than originally proposed. The invitation was drawn up at a meeting of the American organization, to reciprocate the magnificent reception accorded the delegates from the United States in China during the year 1910, at a meeting held in San Francisco on October third of last year and Mr. Robert Dollar, President of the Merchants' Exchange of San Francisco and Vice-President of the San Francisco Chamber of Commerce, was commissioned to convey same to the Chambers of Commerce in China. He arrived here in November in the midst of the revolution, as he explained in his address at the reception yesterday afternoon, in view of which he deferred presenting the invitation until a more opportune time. The date fixed for the arrival of the Chinese delegation in San Francisco was March twenty-ninth of this year.

Mr. Pay Shen Sung, who presided at the function yesterday, explained in introducing Mr. Dollar as the first speaker, that the reception to Mr. Dollar had been deferred on account of the disturbed conditions. Mr. Dollar then presented the invitation and further urged that China participate in the forty million dollar Panama-Pacific Exposition, as the principal exhibitor, at San Francisco in 1915.

Mr. Pay responding on behalf of the members of the local Chamber thanked Mr. Dollar for the invitation and said that a delegation would go to America at a later date to be arranged. Mr. Sung Man Yung spoke in a semi-humorous vein, pointing out that now the Chinese delegates could visit the United States unincumbered with queues and long Chinese

gowns and welcome their brother republicans across the sea in Prince Alberts and high hats as worn by the American hosts.

The reception was held in the Palace Hotel, beginning at 4:00 o'clock yesterday afternoon. Among those present were Messrs. Tsu Pau San, Director of Finance of Shanghai; Cheng Shen Fu, Chairman of the Chinese Chamber of Commerce; Y. C. Tong, Yuen Hung Kee, Wu Lu Hsiang, Yang Hsing Tse, Yih Wei Kyun, Sung Man Yung and many other prominent Chinese merchants.

After Mr. Pay had explained the unavoidable delay in tendering the members' sincere welcome to their honored guest, the bearer of the official invitation from America, Mr. Dollar arose and said:

SPEECH OF ROBERT DOLLAR

Mr. Chairman and Members of the Chamber:

"The Associated Chambers of Commerce of the Pacific Coast of America have commissioned me to present to you an invitation to visit the United States of America, which reads as follows:

"To the Consolidated Chambers of Commerce of China, the Associated Chambers of Commerce of the Pacific Coast.

"At a meeting held to-day, decided unanimously to extend a cordial invitation to the Consolidated Chambers of Commerce of China, to send a delegation of fifty to the United States, to arrive in San Francisco, on or about the twenty-ninth of March, 1912.

"It affords us great pleasure to notify you of this action, and to say that it will gratify the business men of this country to be able to extend our hospitality also, remembering the kindness and courtesy conferred by you upon our delegation that visited China in 1910.

"We are aware that much good will come from the proposed visit of your representative delegation, for China and the United States have ties of friendship and great interests, which both countries desire to promote. Our delegation gained much information in China, and the knowledge then acquired cannot but prove beneficial to your country.

"We assure you that your delegation will see much of the United States, and it will be our purpose to arrange the itinerary in all its details, so that each and all of our industries shall open their doors freely and gladly. Our men of affairs and business will, to the fullest extent of their ability, strive to make the time you spend in this country both pleasant and profitable.

"THE ASSOCIATED CHAMBERS OF COMMERCE OF THE
"PACIFIC COAST.

"H. M. HALLER, President,

"C. W. BURKS, SECRETARY.

"San Francisco, October 3, 1912.' "

"I should have given you this invitation on my arrival here last November, but on account of the great trouble and trials you were going through, I deferred until peace had been restored. Now this happy result has been accomplished, I take great pleasure in publicly congratulating you on the result.

"You will notice that the time stated in the invitation is too short, and I would suggest, if you see your way clear to accept, that the date of your visit shall be fixed by mutual consent later on.

"Before leaving San Francisco, arrangements had been made for a special train of sleeping and dining cars to carry your party through our country a distance of about 12,000 miles by rail, and to visit sixty-three of our largest cities; ninety days would be required from your arrival in San Francisco until your return to Seattle.

"During this trip, we will endeavor to show you our large manufacturing and educational establishments, and we would suggest that your party be made up of representatives of all your great manufacturing, agricultural and industrial enterprises.

"Our Commissioners who visited you sixteen months ago, were greatly benefited by what they saw, and delighted with your hospitality and we hope for a like result from this visit of your merchants to America.

"But the great object that we have in view is not only an increase in our commerce, (we are sure that will follow) but an increase of the friendly relations between us, and now that we can call you our Sister Republic, I feel that we will be drawn closer than ever before, and I wish you every success in this great undertaking.

PACIFIC EXPOSITION

"Another matter I wish to bring to your notice, and to request your kind consideration of, is the Panama-Pacific Exposition, that will be opened in San Francisco on the first of January, 1915. The people of our country intend making this the greatest the world has ever seen.

"Over \$40,000,000 of your currency has been provided, so we should be able to accomplish our ambitions.

"One fact is of importance to you, namely, that part of the grounds will be on the shores of the Golden Gate, where wharves to accommodate the largest steamers will be provided, so that your exhibits will be landed in the grounds, taken direct to the buildings by a local railroad, and thereby save expense.

"We want to make this Exposition distinctly Oriental, and we are depending on China for the best exhibit ever made of Chinese wares, and following suggestions made in this room, when our Commission was leaving you a year ago, that a permanent exhibit be maintained in San Francisco. Our Directors are anxious that this should be done at a convenient place in the grounds, and requested me to speak particularly on this subject, the intention being also to have an American exhibit in Shanghai, as recommended by you.

"On account of the revolution, I have been unable to bring these matters properly before your government, but when the new government gets in working order, I would ask your Chairman to lay these matters before it.

"I close by bringing you a message of peace and good will from America to China, and I assure you that our Chambers of Commerce will do all they can to promote these sentiments, and in anything that can be done to increase friendly relations, trade and commerce between us, I will do my best."

On a railway map Mr. Dollar pointed out the principal cities in America to be visited by the Chinese trade commissioners. Among the cities he enumerated were San Francisco, New Orleans, Washington, D. C., Pittsburg, Baltimore, Philadelphia, New York, Boston, Cleveland, Chicago, St. Louis, Kansas City, Minneapolis, St. Paul, Seattle, and the States of Arizona, New Mexico and Texas.

Responding to Mr. Dollar, on behalf of the members of the Chinese Chamber of Commerce, Mr. Pay said that they were deeply grateful for the kind invitation and proffered hospitality of their brother citizens on the other side of the Pacific, but owing to the pressure of time for the visit, which had been arranged for about the twenty-ninth of March, 1912, and owing to the general condition of commerce in China, which is now being restored to its normal level, consequent upon the recent consolidation of the republic, they would not be able to sail for America at the appointed time, but would go later, at a date which would be considered by the members.

MR. SUNG MANG YUN SAYS VISIT NOW POSSIBLE

Mr. Sung Mang Yun followed Mr. Pay. He said that he was the first last year to object to the proposed visit owing to many difficulties and inconveniences. "Last year we were most of us still encumbered with the queue," he continued, "which goes along with the Chinese dress. With Chinese long gowns and jackets we would excite the not altogether pleasant curiosity of the American people. Again when we observe the freedom and liberty enjoyed by the people and reflect upon the yoke of absolutism upon the Chinese subjects, the comparison and the realization of its difference would be painful. But now everything has been changed. Our queues have been discarded, which fact greatly simplifies our dress. We can wear a frock coat and a topper just like the American citizens do.

"Besides we have joined the fraternity of democratic governments. Just as the Americans, we are republican citizens. So I propose that we should visit the United States as soon as we find it convenient and possible."

Mr. Yih Wei Kyun then requested Mr. Dollar to convey the good wishes and thanks of the Chinese to the Associated

Chambers of Commerce of the Pacific Coast of the United States for the proffered invitation.

To remarks made by Mr. Sung and Mr. Yih that the American republic was the schoolmaster and elder brother of the Chinese republic, Mr. Dollar replied, humorously, that China was America's senior inasmuch as China had a history of four thousand years behind her, while the American republic was only about one hundred and fifty years old. Mr. Yih retorted that the old history did not count, for China was resurrected in the consolidated republic which was only a few days old.

Mr. and Mrs. Dollar will leave Shanghai for Japan next Thursday by the steamer "M. S. Dollar" and will proceed from there to the United States.

Previous to his departure Mr. Dollar will address the International Institute at 5:00 o'clock next Wednesday afternoon, taking for his subject "The Commerce of China."

On February twenty-eighth, I invited the prominent merchants to dinner at the Palace Hotel. All were Chinese, except Mr. Harold Dollar, Mr. Howe and myself. We had a very pleasant evening. There were no set speeches. I made a few remarks and Wan Koh-san replied.

ROBERT DOLLAR ENTERTAINS DISTINGUISHED CHINESE AS REPORTED BY THE PRESS

Twelve prominent Chinese merchants of the local Chamber of Commerce were entertained by Mr. Robert Dollar at a dinner at the Palace Hotel February 28th. Mr. Dollar was the official bearer of an invitation from the Associated Chambers of Commerce of the Pacific Coast to the Chambers of Commerce of China to visit the United States of America, which he delivered last Saturday.

Besides Mr. J. Harold Dollar and Mr. E. K. Howe, manager of the Robert Dollar Co., the honored guests were Messrs. Chung Zung-fu and Pey Zung-sung, President and Vice-President of the Chinese Chamber of Commerce, Chow Tsing Tsung, ex-President of the Chamber, Shao Dzing-tao, of Ta-fong Piece Goods Co., Ling Lu Sung, manager of

Republican Bank, Chung Mung Yew, managing director of the Shanghai-Nanking Railway (who has since been appointed Minister to the United States), Yih Wei-chuen, committee of the Rice Guild and the leader of the City Volunteer Corps, Yang Sing-tse, of the Silk Guild, Wong Koh-san, business manager of Hanyang Iron Works, Chang Chi-Lan, agent in Shanghai of the Hanyang Iron Works, Chu Li-chi, Secretary of the Chinese Chamber of Commerce, and Ma Tse-Ye.

ADDRESS OF MR. WONG KOH-SAN

At 9 o'clock, after the close of an elaborate dinner, Mr. Wong Koh-san arose and gave a neat little speech in English on behalf of the members of the Chinese Chamber of Commerce. He tendered expressions of sincere appreciation of the hospitality proffered by the Associated Chambers of Commerce.

Addressing Mr. Dollar, he said: "Under other circumstances, tonight would furnish a capital opportunity for us to do some lobbying with you; we would coax you to recommend our new republic to the United States when you go back. We fully appreciate the fact that your sympathy has been entirely with us in our work and in our aspirations. We all wish for a closer relationship between the United States and China. You have, we are aware, been a powerful factor in bringing about a greater friendship between us.

"Both politically and commercially we are in mutual need of each other and of developments. You have what we want and we have what you want.

"The word 'Dollar' has been a household word in China but it will be more than that when the new republican government consummates the national currency reform."

Before Mr. Wong resumed his seat he proposed a toast to Mr. Dollar which brought forth a most hearty response.

HAS TELEGRAPHED PRESIDENT TAFT

Mr. Dollar addressed his guests as his friends and in appropriate terms, replied as follows:

"As regards the lobbying work referred to by Mr. Wong, I cannot be a greater advocate of the republic than I am, even after he so desires me tonight. For three weeks ago I cabled

to President Taft, the National Congress, and the various Chambers of Commerce recommending them to recognize the republic. Already the effect has influenced the American Embassy at Peking. Friends, I congratulate you on peace being restored.

"Before I left home, President Taft was working for the Peace Arbitration and attempting to negotiate treaties with France and England for the furtherance and promotion of peace and good will among the nations. I was a great agitator for that cause on the Pacific Coast for I sincerely wish for peace and comity in the world, and I hope that Japan and China will co-operate with the three nations.

"I have already received a favorable reply from Japan.

"I now ask you to drink the toast for the long life and prosperity of the leaders of the revolution."

SPEECH OF MR. YIH WEI-CHUEN (IN CHINESE)

"Mr. Dollar has been a sincere exponent and worker for the peace and good will among the nations. Inasmuch as the essence of God is love and peace, and inasmuch as Mr. Dollar is working for that end, he is a god of humanity. His hope and his mission, we believe, is to bring about a consummation of peace between China and Japan and among other nations. He will live one thousand years, for Heaven above will be gladdened to see him continue this divine mission, and the earth beneath will worship him and hope that he will live that long to carry out this humanitarian service.

"In conclusion, I beg to tender you a reception tomorrow night at this hotel on behalf of the Chinese Chamber of Commerce. Gentlemen, I ask you to charge your glasses for the health of Mr. Robert Dollar."

In replying to Mr. Yih Wei-chuen, Mr. Dollar accepted the invitation but remarked that he had not expected any more entertainments for he was leaving China soon, and that he did not think the invitation was tendered to him personally, but that he would take it as being given to the nation which he represented.

This afternoon, at the request of Dr. Reid, I gave a lecture at the International Institute. The hall was full of Chinese,

but there was a sprinkling of foreigners and some Chinese ladies. Dr. Reid introduced me in a very flattering address.

After the meeting, there was a general discussion on political China by Chinese gentlemen who were all thoroughly posted, and it was a pleasure and profitable to me to hear their different views of the situation. The gist of it all was hopeful with the belief that great good will result from all the tribulations of the past few months. Confidence in Yuen Shai Kai and the new cabinet seemed to be the keynote.

This ended my public meetings, and on several occasions I told the Chinese that I felt they were paying too much attention to me and what I was doing did not warrant the courtesies they were extending to me and that I wanted them to understand and feel that what they were doing was on behalf of the nation I had the honor to represent and I could not accept it for myself, but for the United States of America.

ADDRESS DELIVERED AT THE INTERNATIONAL INSTITUTE
FEBRUARY 28, 1912, ON CHINESE COMMERCE
BY ROBERT DOLLAR

Chinese commerce, for a nation having a population of 400,000,000 is insignificant. Dr. Reid asked me to talk on Chinese Commerce. It occurred to me that I could take one specific branch, or treat the subject in a general way. I chose the latter.

In *agriculture*, I could have taken up the *soya bean*, *sesimum seed*, *cotton*, any one of these subjects would have taken up all the time at my disposal; then in minerals and manufactures, it is even more diversified. Your mineral wealth is practically unlimited, but your mines are undeveloped, in fact, you have no idea of the extent and importance of your minerals, as practically no prospecting worthy of the name has been done. In a general way it is conceded by experts that you have the largest coal fields of any country in the world; in iron ore, enough is known also to predict that you have the richest and largest deposits in the world; copper and other valuable minerals are known to exist in large quantities. Your mineral exports are on a small and insignificant scale; you do produce nearly enough for your own use. In 1910 you imported

nearly 1,500,000 tons of coal, for which you paid in good Chinese money over \$10,000,000, all of which should have been expended at home. You bought all you required of iron, steel and the products thereof, except the small amount produced at Han Yang, and during the past weeks, we read in the papers of the probability of this great industry passing out of Chinese hands. Gentlemen, this should not be. I would consider it a national calamity if either these mines or works, or the China Merchants' Steamship Co., should pass out of Chinese ownership or management.

You have untold wealth in your mineral resources. All you have to do is to extract it from the earth, and sell it, and that of itself will bring prosperity, and furnish employment to millions of your people. I do not hesitate to say that I firmly believe the Yangtse Valley will be yet the greatest steel producing country in the world. I base my opinion on history, which shows that those nations which have risen to the highest positions in the world of commerce had coking coal and iron ore near together, and also convenient to where steamships could load.

In manufactures you have made a start sufficient to show you what can be done. In the cultivation and manufacturing of cotton alone, you should also employ millions of your people, and not only produce cloth enough to clothe your 400,000,000, but with your soil adapted to the growing of this commodity, and with the myriads of your hard-working and industrious people, you would in time get to be one of the greatest exporters of manufactured cotton in the world.

I will not enlarge on other commodities, to detract your attention from this main issue, but would just call your attention to what could be done in the manufacturing of *silk, flour, iron, steel and machinery*.

Then as to imports, they would increase in the ratio of your exports, as by the great increase of industries you would raise the purchasing power of your people, and as a consequence, the standard of living would increase in like proportion, and the wants of your people would increase in articles, which you would require to buy in foreign countries, and as stated, thus increase your imports. The necessity for a merchant marine of your own would immediately be felt,

and like your neighbor, Japan, you would immediately take steps to carry your own commerce.

The necessity of a complete system of railroads throughout the country is so apparent to you all that I need only mention it.

What I have said all looks very plain and easy, and it would be a pertinent question for you to ask yourselves, why cannot we go ahead and start all these industries, or rather, what obstacles are in the way? The first is lack of capital. You must borrow money to develop the resources of your country. Had the people of the United States refused to borrow foreign capital fifty years ago, that country would not have one-half the commerce it has today. I mention this, as I know a great number of your people are opposed to getting foreign money, but with proper precautions, it is quite safe to borrow a reasonable amount, especially when it is to develop your resources.

Second, you require a good banking law on which good solid banks can be built, so that your people's money would be safe, and the banks be able to stand when times are bad, as well as when they are good. I need but call your attention to the native banks throughout China today, as about two-thirds of them have closed their doors.

Third, you must have a solid, staple currency, preferably on a gold basis. Business on a large scale cannot be carried on as at present, with a fluctuating currency. You do not know how much the value of your money has changed overnight, until the foreign banks tell you. Exchange fluctuates so much that it makes good solid business impracticable.

There are many other changes required in your laws, but these, no doubt, His Excellency, Wu Ting Fang, will work out, as he is at present engaged on a new code of laws for you.

In conclusion, I wish to give you a word of caution. Your republican government is just being organized; it will take them two or three years to get it in proper working order, so do not be impatient, but give them time. I have every confidence in their ability to give you laws to enable you to carry out all the matters I have brought to your attention, and I feel that the laws which will be enacted, will enable you to become one of the great nations of the earth.

At the banquet that the Chamber of Commerce gave to Mrs. Dollar and myself, they handed me the following:

To the Associated Chambers of Commerce of the Pacific Coast:

The United Chambers of Commerce of China at a meeting held on February 24, 1912, unanimously decided to thank the Associated Chambers of Commerce of the Pacific Coast for the courteous and generous invitation extended to them to send a delegation of fifty members to visit the cities represented by the Associated Chambers. The United Chambers, after the most careful consideration, unanimously decided to accept the invitation, but regret that on account of the present situation in China it would be impossible to make their visit to the United States on the date suggested by the Associated Chambers and, therefore, respectfully ask that the question of the date be held over for the present.

It affords us the greatest pleasure to convey to you the acceptance by the United Chambers of your very highly appreciated invitation and it is with sincere regret that we ask you to let the matter stand for the present, arising out of the political changes of the past few months. There are grave financial and commercial questions of national character to be considered and many of those who would otherwise participate in the visit which you so kindly proposed, will be engaged for some little time in the settlement of those issues. Without the presence of those gentlemen, the delegation would not be thoroughly representative in character and would be unworthy of your invitation and of the distinguished men which the Associated Chambers sent to visit our country, and we assure you of the very high appreciation of the fraternal invitation of your Associated Chambers and look forward with the very best anticipations of a visit to your country under your kindly auspices at a not remote date.

CHIEN SHUN FU, President,
PEI HSUN SHENG, Vice-President,
CHU LI CHI, Secretary.

The report of this banquet appeared in the Shanghai papers February twenty-ninth.



CHU' LI CHI

The Energetic Secretary of the Chamber of the Commerce,
Sanghai, and Secretary of Shanghai-Nanking Railroad

At this meeting I suggested that Mrs. Dollar and I say good-bye to them all, seeing that we were both present (she was the only lady invited), but they would not hear of it and said they must see us off in real Chinese fashion by going in a body to the wharf; so I had to give in although I would have preferred to slip away and have only our most intimate friends see us off. However, in this I could not have my way, the old saying applying that, "when we are in Rome we must do as the Romans do."

PRESS REPORTS OF FAREWELL DINNER GIVEN MR. ROBERT DOLLAR

A farewell dinner was given to Captain Dollar by the Chinese Chamber of Commerce, at which a number of distinguished business men were present. The announcement that the invitation of the Associated Chambers, conveyed through Captain Dollar, had been accepted, was made by Mr. Ching Zung-fu, president of the local body.

Besides Mrs. Robert Dollar and Mr. J. Harold Dollar, there were present at the dinner: Professor E. W. Thwing, Dr. Gilbert Reid, and Messrs. F. W. Haldey, Wang Ih Ding, Ma Tse Ya, Yih Wei Chuen, Yang Sing Tse, Yih Ming Tsai, Chu Li Chi, Wong Koh Shan, Chang Chi Lan, Chow Vee Ching, Nie Shih Jew, M. Y. Pey Zung Sung and Chow Tsing Tsung.

After a dinner served in a hall of the Palace Hotel decorated with four big "Five colored" flags and the "Stars and Stripes," Mr. Ching the president, addressed Mr. Dollar, through Mr. Chu Li Chi, secretary of the Chinese Chamber of Commerce. Mr. Chu said that the Chinese merchants begged to tender their most sincere appreciation of the proffered hospitality of the American merchants. Then he read the formal reply to the invitation of which Mr. Dollar was the official bearer. The reply, in substance was as follows:

*To the Associated Chambers of Commerce of the Pacific Coast
of the United States of America:*

The United Chambers of Commerce of China—

At a meeting held on February 24, 1912, unanimously decided to thank the Associated Chambers of Commerce of

the Pacific Coast for the courteous and generous invitation extended to them to send a delegation of fifty members to visit the cities represented by the Associated Chambers. The United Chambers, after the most careful consideration, unanimously decided to accept the invitation but regretted that on account of the present situation in China it would be impossible to pay their visit to the United States on the date suggested by the Associated Chambers, and therefore, respectfully ask that the question of the date may be held over for the present.

It affords us the greatest pleasure to convey to you the acceptance by the United Chambers of your very highly appreciated invitation, and it is with sincere regret that we ask you to let the matter of date stand over for the present.

Arising out of the political changes of the past few months there are grave financial and commercial questions of a national character to be considered, and many of those who would otherwise participate in the visit which you have so kindly proposed will be engaged for some little time in the settlement of these issues. Without the presence of these gentlemen the delegation would not be thoroughly representative in character, and would be unworthy of your invitation and of the distinguished delegation which the Associated Chambers sent to visit our country in September, 1910.

We assure you of our very high appreciation of the fraternal invitation of your Associated Chambers, and look forward with the very highest anticipations to a visit to your country, under your kindly auspices, at a not remote date.

THE UNITED CHAMBERS OF COMMERCE OF CHINA.

CHIEN SHUN FU, President,
PEI HSUN SHENG, Vice-President,
CHU LI CHI, Secretary.

This was followed by a speech in Chinese by one of the most popular Chinese orators, Mr. Yih Wei Chuen, leader of the City Volunteer Corps and the Rice Guild.

"Mr. Dollar," he began, "allow me on behalf of my associates and co-workers to extend to you our heartiest greetings and sincere good wishes for your future welfare.

"All of us are aware that you have endeavored to foster closer relationship between the United States and China, whose commercial interests have been indissolubly bound together for the past few years.

"We deeply appreciate the good feeling and kind sentiment expressed in the invitation by our American friends who will thus afford us a capital opportunity to study your industrial and commercial enterprises. We all request you to convey our hearty thanks to your friends for their kind invitation and also avail ourselves of this opportunity of thanking you personally for your strenuous efforts made on our behalf, when three weeks ago you cabled to President Taft and Congress, and the different Chambers of Commerce of the United States, recommending them to recognize the Chinese republic. Your laudable object in strengthening the friendly ties between the two sister republican nations will be soon realized.

"We regret to learn of your immediate departure for home, and in bidding you farewell we wish you and Mrs. Dollar *bon voyage* and long life and prosperity."

Mr. Dollar responded to the speech and the toast for his health, saying:

"The laws of neutrality prevented me from expressing myself until the issue of your political struggle was achieved.

"You can all rest assured that when I go back to the States you will have one strong, solid friend of China. I will take great pleasure in conveying your thanks and acceptance of the invitation to my friends at home."

SHANGHAI, March 22, 1912—The Chinese insisted on seeing us off at the jetty. The "M. S. Dollar" on which we were going to Japan was anchored two miles down the river and the Dock Company sent a tug to take us from the custom's jetty to the ship at five o'clock in the afternoon. At this same time and place the tender was leaving to take passengers to the "Tenyo Maru" for Hong Kong. My son Harold and I walked down, while our wives went in an auto. When we neared the place, there was such a large crowd that it was with difficulty that we got to the bridge going on to the pontoon. After elbowing our way we found this bridge guarded by police and two double rows of soldiers lined up all the way to the

tug and tender. We said, "Some dignitary is going on the 'Tenyo Maru,' so turned back and reached the other entrance to the jetty, where we met the secretary and president and others of the Chamber of Commerce who had been looking for us. They had found Mrs. Dollar in the crowd and escorted her to the pontoon, so we returned to the place where we thought some dignitary was to pass, but found to our great surprise and astonishment that I was the dignitary, and was escorted with great honor and respect through the lines of soldiers. They all took off their caps and stood at attention. I was accompanied by the president, vice-president, secretary, and several of the largest merchants and bankers of the city, all dressed in bright colored silks. It made a very attractive procession.

On the jetty, I met many Chinese and European friends. As there were so many waiting to see us off I hurried our departure so they should not be kept waiting. The soldiers were lined up in front of the jetty and we again passed between the double row of soldiers to the tug-on which we were going. When the tug began to move, they all cheered, and with the waving of hats, soldiers' caps, and handkerchiefs, we started on our way. At this time it occurred to me that we had bought a large new republican flag and that it had not been packed away, so I unrolled it, and with Mrs. Dollar holding one end and I the other, we waved it. This act produced great enthusiasm on shore, especially among the soldiers.

Before boarding the ship, the general commanding the troops handed me a large, red envelope. I glanced in it and saw a long document in Chinese which I thought to get translated later, but after getting settled on the "M. S. Dollar," I found an English translation of it, which with my reply, was as follows:

ADDRESS AND REPLY ON LEAVING SHANGHAI

To Mr. and Mrs. Dollar:

During your short stay in Shanghai, you have gained our friendship and esteem. You are of venerable age and came from the other side of the Pacific. You love us as though we were brothers. You wish every progress to our commerce. We cannot refrain ourselves from recollecting your words

addressed in the Palace Hotel, "I will do my best in anything that can be done to increase friendly relation, trade and commerce between China and the United States of America." It is impossible to express our gratitude for your parental anxiety for our new republic. We deeply regret the lateness of our acquaintance and the haste of your departure. We hope God will bestow on us another opportunity of having the good fortune to meet again on the jetty.

On your arrival in America, please convey our thanks to the Associated Chambers of Commerce of the Pacific Coast, who commissioned you to bring to us the invitation to visit your States, and express our wishes for the long life and prosperity of Mrs. Dollar, yourself, and your President and your merchants. Farewell.

CHINESE MERCHANTS VOLUNTEERS' ASSOCIATION.

(Signed): LI PING SHU, President,
YIH WEI CHUN, Vice-President,
WANG IH TING, Vice-President,
SUNG MAN YUN, Vice-President,
CHANG LE CHUN, Vice-President,
TUNG SLIU, Secretary.

Shanghai, March 1, 1912.

Karatsu, Japan, March 4, 1912.

*To the President and Members of the China Merchants
Volunteers' Association:*

Gentlemen: When you handed me your letter on the jetty, in the hurry and excitement I did not notice that there was an English translation, or I should have read it and replied then.

I now take this opportunity of expressing our thanks and appreciation of the great honor which you did us by assembling such a large force of the Volunteers at the jetty to see us off and bid us farewell.

I cannot find words to express the thanks due the Chamber of Commerce, your merchants and your association, for the great courtesies and kind consideration that we have received at the hands of the Chinese people, and I feel that inasmuch as I am not worthy of such great honor, that I must attribute

it in a great measure to your friendship to my country, and I accept it as such.

Mrs. Dollar joins me in kind regards to you all, and we earnestly pray that God will bless and prosper the new republic, and bring peace and great prosperity to your country.

Yours respectfully,

ROBERT DOLLAR.

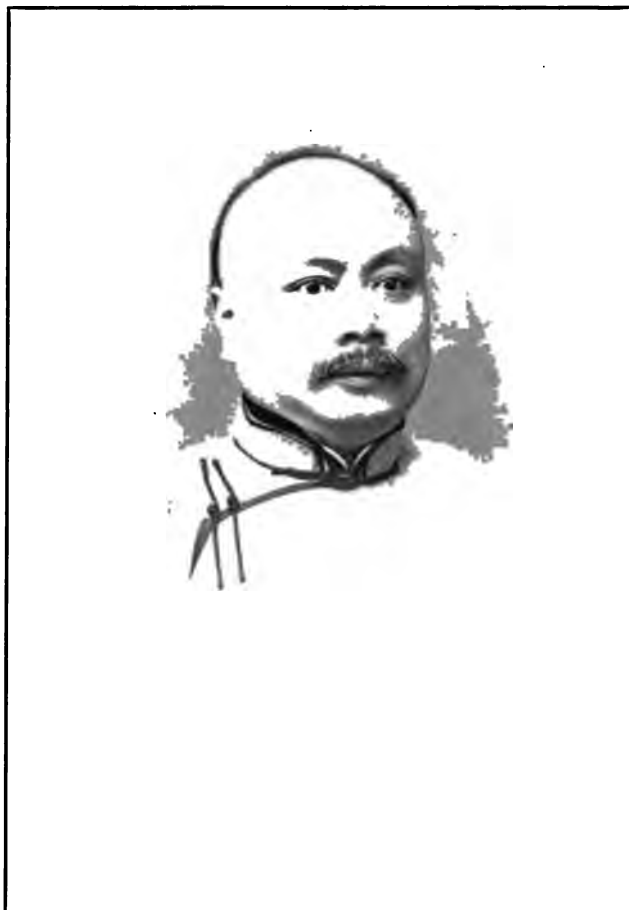
It took hours before I got over the great surprise, and it brought very forcibly to my mind God's great goodness and kindness to us. Instead of feeling elation, it made me more sober and thoughtful, as it showed more clearly the responsibility of doing what is right and just to all men, and it was only with that sole object in view of helping the new republic that brought me so prominently before the Chinese people. The question of self-honor or self-glorification never entered my mind.

*KARATSU, Island of Kyushu, Japan, March 5, 1912—*After arriving here we received the Chinese papers giving an account of the farewell demonstration at Shanghai. They state that no commercial man had ever before received such a demonstration. An excerpt from the papers, follows herewith:

CAPT. DOLLAR FLIES FLAG OF REPUBLIC AS HE SAILS

*March 2, 1912—*Unfurling a great "rainbow flag" to the breeze as the "M. S. Dollar" tender left the customs jetty and shouting "Salute your country's flag" to the hundreds which had gathered to bid him farewell, Captain Robert Dollar left Shanghai for San Francisco at five o'clock yesterday afternoon. His cry was answered by a tremendous cheer from several companies of the Chinese Volunteer Corps, his escort of honor, and the many foreigners on the wharf added whole hearted godspeeds. As the tender shoved into the stream, and made its way down river, Captain Dollar could still be seen waving the flag of the republic until the little craft was lost in the maze of river traffic.

The farewell ceremonies attendant on the departure of the venerable financier, were such as are seldom accorded men in



Y. C. TONG

**Managing Director of Imperial Telegraphs. Educated in the
United States and one of the brightest Men in China**



CHUNG MUNG YEW

**Managing Director Shanghai-Nanking Railroad and Managing
Director China Merchants S. S. Co.—He was Educated at
Yale and was Cockswain of the Crew in one of the Yale-
Harvard Races; was recently appointed Ambassador to
the U. S., and awaits recognition from this Gov-
ernment before taking the Post**

private life. Long before his arrival on the jetty, lines of volunteer soldiery had been formed along the waterfront, under the command of Yeh Wai Chun, chief of the local volunteers.

Captain Dollar arrived shortly before five o'clock, accompanied by Mr. Y. C. Tong, Mr. Chung Mun Yew, Mr. Chu Pau San, Mr. James Thompson of the Shanghai Dock and Engineering Company, Mr. T. C. White of the American Consulate, Mrs. White, the Princess der Ling, Mrs. J. Harold Dollar, Mrs. Robert Dollar and Mrs. James Thompson.

He was saluted by the military lines along the dock as he made his way to the customs float, and was greeted there by Mr. Chu Li Chi, secretary of the Chinese Chamber of Commerce, at the head of a delegation of many of the leading Chinese business men of Shanghai.

With Captain Dollar's departure, it was learned that the Chinese Chamber of Commerce has officially accepted the invitation of the Associated Chambers of Commerce of the Pacific Coast to visit the United States.

We crossed the China Sea on the steamer "M. S. Dollar" from Shanghai to Karatsu, encountering a strong gale and a very high sea, which delayed us, taking three days for the trip. There is a good harbor at this place but small vessels all lay at anchor. Good dispatch is given vessels. The only business of the port is coal, of which they load about 2,000 tons a day. The great coal mines are only from ten to twenty miles distant. The country is broken, but there are many fine fertile valleys in a high state of cultivation. We noticed a great many orange trees in full bearing, the crop being ripe at this season of the year. Rice and other vegetation were well advanced. We saw several stone quarries, where they were hewing out stones, and the workmanship seemed to be good. I noticed that there was a good deal doing in the way of reforesting the hilly and waste places, which is a very commendable enterprise.

We went by rail from Karatsu to Moji and were pleased to find that the American system of checking baggage had been adopted on the government railroads of Japan, which is something new. When we got within fifty miles of Moji,

we ran into other coal fields where great activity was everywhere in evidence.

The Island of Kyushu is a beehive of industry. It has the famous Wa Kamatsu Government Iron and Steel Plant, and many other large industries. Moji is also a busy place, having large cement works, etc., as well as being the greatest coal port of Japan.

We left Karatsu at 11:00 a. m. and arrived in Shimonoseki at 6:00 p. m. Messrs. Samuel and Samuel were kind enough to have their launch waiting to take us across the straits from Moji to Shimonoseki. We stayed at the comfortable railroad hotel and next day reached Kobe by rail, at 11:00 p. m., after a long all-day ride, but we had never seen this country in daylight, so it was quite interesting. Nearly the entire distance was through a fine farming country. Many quaint villages and temples were seen, giving one a glimpse of old Japan. Everywhere thrift and industry were visible. Excepting China, I do not know of another country that would support so many people on such a small piece of land, as Japan.

Kobe and especially Osaka, was feeling the effects of the rebellion very much, and shipping was much less than usual. The foreign part of the city looked deserted.

I paid a visit to Sheng Kung Poa at the village of Shioya. It was a very sad meeting and I would have gladly escaped it, but courtesy demanded that I should go. The first words he said, were: "What a terrible change has come over China and myself since I saw you a year ago in Peking." Poor man, he looked loaded down with the sorrow and disgrace of being a political exile from his native land. When I last saw him, he was proclaimed as China's "Man of the Hour," and was virtually ruler of the Chinese Empire. I tried to cheer him up and get his mind off his troubles, but I came away feeling that I had not succeeded. In parting, I said that I hoped to meet him in Shanghai the next time I returned. This pleased him, as he had to flee for his life from Peking and if he had not been guarded by United States marines, he never would have left China alive. This is a good example of the lack of stability of all political positions.

Sheng advocated the introduction of foreign capital into China; the Prince Regent (poor weakling), made a scapegoat



SHENG KUNG POA

President of the Han Yang Iron & Steel Works Co.
The Man Who Held the Affairs of China in the Hollow of His
Hand before The Revolution, and now a Refugee in Japan

of Sheng, hoping to save his own head. Now the policy of the new government is exactly Sheng's policy, but Sheng and Yuen Shi Kai are deadly enemies. The former is a friend of the Japanese, the latter is not; so they are unreconcilable. What a sad commentary on the dependence of human help. The only real help and trust is in God. Well, I came away from the interview a sadder, but I hope, a wiser man.

TOKYO—The object of my visit was to promote the interests of the Panama International Exposition and, in a small way, to help the cause of international peace. With everyone I met, I discussed both questions.

I first called on our Ambassador, Mr. Bryan; and later saw Mr. Kato, the able Secretary of the Chamber of Commerce. He immediately set to work making appointments for me which was difficult, as Parliament was in session. However, I saw Baron Shibasawa, the Grand Old Man of Japan, and had a very pleasant and satisfactory talk with him. He again assured me that he would do his very best to get us exhibits, and as he is a man of his word, that means a great deal. On international peace—he is the strongest advocate in Japan.

We then called on Baron Sokotana, who was the Financial Minister during the Japan-Russian War. We were well acquainted with those two noblemen. Mrs. Dollar accompanied me, so we made them a social as well as a business visit. The Baron is much interested in the Exposition, due to several interviews had with him last fall. He is also Vice-President of the Peace Society, so my work was practically done before I arrived, as he strongly favors peace as well as helping our Exposition. While, at the present moment, he is not a member of the government, he, like Baron Shibasawa, is a very influential man. He said to call on him at any time and that his services were at our disposal. Before I left, he called on us and again reminded me to be sure and ask him to assist us if everything did not go smoothly.

Viscount Uchida's time was so taken up with Parliament that he could not meet me at regular office hours, but made an appointment to come to the office one hour earlier than his usual time, so we met in the Foreign Office at 9:00 a. m.

I had a long talk with him. He complained of the government's want of money and said they had to abandon the Tokyo 1917 Exposition for that reason; but when I showed him the effects a big exhibit would have in increasing the friendly relations between the two countries, he at last said, "I can see that from the standpoint of international peace, we must make a big exhibit."

I then saw Baron Ishii who is Vice-Minister of Foreign Affairs, and whom I have known for some time. We had an official talk, then a friendly and confidential chat. Like Viscount Uchida, he assured me that they were anxious to make a big exhibit, but finances stood in the way. However, he thought that could be overcome, especially when I explained to him the effect we hoped that would result in the way of international peace. He brought up the question as to how our immigration authorities would treat the Japanese, who would be brought in to erect the buildings and care for the exhibits. He also complained of the treatment the Japanese had received at the Seattle Exposition, where, he said, they had expended \$50,000.00 as well as having been bonded in the sum of \$30,000.00. The Baron then stated that in talking with many merchants since I last saw him, they all asked for information on those questions, and he thought that the Directors of the Exposition should give them some assurance as to what their policy would be. He also suggested the careful selection of a commissioner who would use discretion and good judgment.

I met President Nakano at the Chamber of Commerce, and while he is very busy and has his time fully taken up, he cancelled engagements and gave me a half a day of his time. He is strongly in favor of a big exhibit, and we can be sure of his hearty co-operation, as among the commercial men he has great influence.

We went to the Department of Commerce and saw the Minister, Baron Nakino, also Mr. Pelukawa, Vice-Minister, and as this is the department which will have charge of the Exposition, I had a long talk with them and went over the matter fully. Here, again, the question of Labor Unions came to the fore. I did what I could to reassure them, but they also thought to induce their people to exhibit on a large scale, that

a statement from us would be necessary as to what they might expect. In fact, they are all afraid of San Francisco. I assured them we had an honest Mayor who would give every one a square deal. I can see very plainly it is going to require considerable tact to carry this business through smoothly.

Mr. Hirayama, President of the Japanese Exposition Company and Vice-President of the Japan Foreign Expositions, will have the details to look after with our Commissioner. All the conferences were very satisfactory except where the labor union subject was brought up, but I feel confident that by using good judgment all can be smoothed over and that we can get the best exhibit from Japan that they have ever made. I had given so much time to this business that I only had a day and a half to attend to my own business, and while I saw nearly everyone I wanted to see, still I could have done more. Even this time was broken into by Ambassador Bryan insisting on our going to the Embassy the day before we sailed, to attend a luncheon which he was giving to five men and two ladies who were en route to Washington to represent the Red Cross of Japan at the convention to be held at our capital. A large party of Japanese and American gentlemen were present. The delegates are Baron Ozawa, Baroness Nagasaki, Countess Sogasawara, Major Inowye, Mr. M. Togo, Mr. Y. Yoshiyasu, Mr. Akiyama, M. P. We had a very pleasant party and wished them good-bye, but I said I was only going before to receive them in San Francisco, as they do not sail for ten days.

Our last day in Yokohama was miserable, as it rained and snowed alternately all day, and was very cold. We embarked on the steamer "Mongolia" on March 13, but did not sail until the following morning on account of the weather, as they were unable to work cargo, on account of the storm.

180th Degree of Longitude, March 20, 1912—On Board Steamer "Mongolia"—After leaving Yokohama, the weather was boisterous, and the second and third day out it blew half a gale, dead ahead, which somewhat reduced the speed of the steamer. After that, it gradually subsided until there was only a gentle breeze with light showers. We arrived at Honolulu, noon, March 23, and sailed the following morning.

The twentieth was my sixty-eighth birthday. I received many congratulations from our fellow passengers, and the ship presented me with a very large, finely decorated cake on which the dollar mark was conspicuous. It being the day we crossed the 180th Meridian, I had two birthdays, as we had two March twentieths.

There were a very agreeable, pleasant lot of passengers on board, with several prominent men amongst them.

Bishop Bashford of the Methodist Episcopal Church, a very fine man, gave us an address on "The Effects of the Revolution in China," from which I learned a great deal. The Bishop's diocese includes the whole of China and he travels all over, so he has a very comprehensive knowledge of the country entirely unbiased and perfectly fair.

On the twenty-first of March, at the request of the passengers, I gave an address on the probable effects of the Panama Canal on the world's commerce. Practically all of the passengers were present and seemed to be very much interested in the subject.

ADDRESS DELIVERED ON BOARD THE STEAMER "MONGOLIA," MARCH 21, 1912

BY ROBERT DOLLAR

THE PROBABLE INFLUENCE OF THE PANAMA CANAL ON THE WORLD'S COMMERCE

THE Canal and our Merchant Marine are so closely linked together that it will be necessary to speak of the latter first.

In 1862 we had the largest and by far the best lot of ships of any nation. At that time we had 2,496,900 tons engaged in the foreign trade alone. According to our latest reports, we have much less than 500,000 tons now engaged in foreign commerce. The Commissioner of Navigation states in his last annual report that the entire tonnage registered for foreign trade was only 585,730 tons; included in this is the Hawaiian sugar fleet and Yukon river steamers, and strange to say, there are over 1,800,000 tons of shipping owned by American citizens, but by our unreasonable laws, they are compelled to run them under foreign flags and register.

By our treaty with Great Britain, they claim that all American vessels passing through the Canal must pay tolls. We claim this never was the intention, as foreign nations can have no interest in our coastwise trade, as no foreign ship can carry cargoes from one American port to another. Therefore, the passing of American ships through the Canal, free of dues, which are wholly engaged in coastwise trade between American ports does not either interest or in any way effect vessels belonging to a foreign country. It is quite right, however, according to the treaty that American vessels engaged in the foreign trade and in competition with foreign ships should all pay the same tolls. Section 6 of the River and Harbor Bill of 1884 distinctly states that "No United States vessel shall pay any tolls for passing through any canal or lock now constructed* or that may hereafter be constructed." This relates more particularly to coastwise trade.

Primarily, the Canal was constructed for national defense and for interstate commerce, and inasmuch as we have no vessels to use in the foreign trade, it follows that this is of secondary importance. As far as the American nation is concerned, while these views are national, they are narrow; but looking at it from the broad viewpoint of the world's commerce and as such, as a world wide benefaction, we must treat all nations fairly and liberally.

As to taking money out of the public treasury and paying shipowners who use the Canal a subsidy, we certainly have that right. Vessels passing through the Suez receive a similar subsidy from the following countries: Russia, Austria, Italy, Sweden, Japan, and other nations to a lesser extent.

As to the influence that the Canal will have on the world's commerce—first, domestic or coastwise trade. This is sure to be very great, as a big trade is going on even now, handicapped as it is by trans-shipment and railroad haul across the Isthmus of Panama or the Isthmus of Tehuantepec. I expect four times as much as is done now would not be an extravagant estimate.

The Commissioner of Navigation complains, and justly, that Americans, (except the American Hawaiian Company),

*I might call your attention to the Sault St. Marie Canal that is free to vessels of any country.

are making no plans to go into the ship building business, but that foreign nations are making great preparations to start lines of steamers from Europe to the west coast of the United States. There is sure to be a big immigration from Europe, as the rate to San Francisco will not be much more for immigrants from Europe than the present fare to New York. Several large steamers are being built for this service, but when we come to consider what trade will go through the Canal other than to and from the United States, it is very difficult to predict. The rate of tolls and the saving of distance will be the controlling factors. Congress should have removed the uncertainty of what they will charge before now. That they must meet the competition of the Suez Canal is a foregone conclusion. They have been preparing for it, as twice during the last two years the Suez has reduced its tolls; which are now \$1.30. Then the shortest distance will determine to a great extent the route steamers will take. The saving of distance from

	Miles
Manila to New York over the Suez Canal is.....	417
Hong Kong to New York over the Suez Canal is.....	597

From the Orient to Liverpool the distance is much in favor of the Suez.

	Miles
Manila to Liverpool is shorter by Suez by.....	5,011
Hong Kong to Liverpool is shorter by Suez by.....	4,542
Melbourne, Australia, to London via Panama.....	12,845
Melbourne, Australia, to London via Suez.....	10,690

In favor of Suez..... 2,155

Wellington, New Zealand, to London via Suez.....	12,143
Wellington, New Zealand, to London via Panama....	10,052

In favor of Panama..... 2,091

The distance by either canal from Sydney would be about equal, so it can be expected if the tolls are the same to America from Hong Kong and Manila, now, the freight would move by way of Panama, but as the passenger steamers have all their connections and ports of call and coaling ports via Suez,

it must be expected that they will continue running via Suez, especially when the difference is so slight. But, on the other hand, everything from the Orient for Europe would still continue to go by way of Suez, saving from 4,000 to 5,000 miles. This would make a clear division—the commerce from the Orient for all American ports would go by Panama, and all the freight and passenger steamers from the Orient for Europe would continue to go by way of Suez. So it looks to me as though the American continent will be the greatest beneficiary of this, the greatest engineering work of the world. The direct benefit the United States will derive from it will be very great, and justly so, as they have furnished all the money to complete the work.

First—As a means of national defense, thereby doubling the capacity of our navy.

Second—It will bring the products of the field, orchard, and forest of the Pacific Coast within easy reach, and cheap freight to the people of the Eastern States. It will also reduce the cost of the manufactured articles from the Eastern States to the people of the Pacific Coast. All of this trade exists in a small way at present, but we can confidently expect it to increase very fast.

Third—The great increase will come from the Orient: Japanese trade is certain to increase; the Philippine trade should double the third year after the Canal is opened; but the greatest increase will come from New China when its 400,000,000 of people get going as they expect to do. The increase and growth of our trade with that country will be as radical as the throwing off of the Manchu yoke and the establishing of a republic.

The price of coal and other stores is a matter of importance, especially that of coal or fuel oil. The American government proposes to retain all this business on the Canal Zone, viz:—selling coal, ship chandlery, general merchandising, laundrying, dry docking, etc. It is a well known fact that no government can do business as cheaply as individuals, especially where there is keen competition, but any government, corporation or individual which has a complete monopoly is bad, and it seems inconsistent that our government should set up a monopoly at Panama while they are busily fighting the trusts at home.

But to take full advantage of our opportunity, our merchants must go after the trade and we must have ships. What a sad commentary on our Congress to say that they built a canal costing four hundred million dollars and by their laws prohibited American citizens from building ships to use in the foreign trade. We talk of awakening China. Now we must change that, so as to try and awaken Congress to the great prospect ahead of us.

ADDRESS DELIVERED BY ROBERT DOLLAR ON
S. S. MONGOLIA, THE NIGHT BEFORE
ARRIVAL AT SAN FRANCISCO

BY ROBERT DOLLAR

THE CONDITIONS AFFECTING COMMERCE ON THE PHILIPPINE
ISLANDS

During the early occupation of the Islands by the Americans, I visited them for the purpose of seeing if business could be obtained for some of our small American coasting vessels that had gotten too small for the trade on the Pacific Coast, but at that time Mr. Taft arrived and announced his policy of "The Philippine Islands for the Filipinos and that Americans were not wanted." Right here, I must say that I believe that he was honest in his conviction that this would be for the best interests of the natives. Now, every one can see the folly and failure of this policy which was completely reversed by recent administrators who are trying to induce men of energy and capital to come to the Islands and develop their latent resources, as the Filipinos have demonstrated their inability to do it themselves, except in a very small and primitive way.

The Islands are rich in possibilities, principally agriculture, and in sugar alone. Great tracts of land, now producing nothing, could be made to increase the wealth of the country immensely. Hemp, tobacco and copra could be produced in much larger quantities. In lumber alone, enough could be done to bring great sums of money into the country. There are only four or five companies lumbering in an up-to-date,

modern manner, and the largest one would be considered a very small one indeed on the Pacific Coast.

Many people claim that the cause of such slow progress being made is the want of capital. As far as my observation went, I should say that the cause is not sufficient labor, and what there is of it, is very poor, and it looks like a hopeless task to develop these Islands with the native labor. It looks as though it would be necessary that a certain number of Chinese should be admitted for a limited time, or until the natives can be taught or induced to work. If this was done, trade and commerce would increase by leaps and bounds and the various products and industries would increase beyond the idea of the most sanguine. Under those conditions, capital would come to the Islands in sufficient quantities to take care of any increased business.

Unfortunately, politics cut too great a figure, and as long as our Congressmen have to define the policy, and are utterly ignorant of the conditions, so long will the Islands be very much retarded by their laws.

Independence—A number of Filipino politicians are constantly bringing this to the front, but for many years to come, they will be utterly unfit to govern themselves, as the day they obtained their independence, that day the Moros would start a revolution and a disastrous civil war would be the result. They have as much self government now as is safe. They have an Assembly and the Commissioners have the veto power. It is composed of four Filipinos and five Americans. The natives seem to be intent upon getting as much pay as possible. The Speaker receives \$16,000.00 a year, and the individual member gets \$30.00 a day.

When 400 lives were lost by a volcanic eruption, the House voted \$35,000.00 on condition that five members of the House should get \$30.00 a day to distribute the money, notwithstanding there was a Red Cross Society whose services could be secured free of charge. Rather than agree to turn the money over to the Red Cross Society for distribution, and lose their pay for distributing the funds, the \$35,000.00 was not forthcoming and the sufferers were left to the charity of private individuals.

The revenue has risen from six million pesos twelve years ago, to thirty millions, last year. A large amount of this increase has gone into public improvements, such as roads, education, harbor, lighthouses, and in many other ways, all improving the condition of the people. The administration of Governor Forbes has done more than that of all the others put together, toward increasing the commerce, and in creating confidence in the stability and future of the Islands.

ADDRESS ON PHILIPPINES

BY ROBERT DOLLAR

Education—Great results have attended the efforts of the government on these lines. In 1892 there were 5,260 children in public schools. In 1911, there were 610,000 pupils, 8,300 native teachers and 4,400 schools. At first they paid no attention to teaching the boys to work. The failure of this plan soon became apparent and industrial education was substituted. It is not considered honorable by the Filipinos to work, and as they are naturally lazy, it is very difficult to teach them the necessity of it.

Spanish is the official language of the Islands. No native language can be used, as there are eighteen different dialects, but English should now be the official language as so many students have learned it.

Public Improvements—Along these lines, the government has done wonders in the way of building roads, harbors, lighthouses, telegraphs, etc. If the people had displayed one-tenth of the energy that the government has, the Islands would be a hive of industry.

Capital—The great cry is for money. I claim if they had labor and the government continued to show that the present liberal and advanced policy would be continued, plenty of money could be obtained.

Products—Hemp is the principal, value \$16,000,000; copra, \$10,000,000; sugar, \$8,000,000. The total exports were \$37,000,000, of which the United States received one-half. To show how these could be increased by proper methods: the Island of Negros has about as much land in

sugar as the Hawaiian Islands. The former produces \$7,500,000 and the latter \$550,000,000, showing what can be accomplished by modern and up-to-date methods.

Imports—Are \$25,000,000, of which we sell seventy-five per cent. Ten millions of the total is cotton goods.

Commerce—Is capable of indefinite expansion if our people were sure of the present policy being continued.

Transportation—This appears to be the key to the situation, not only in the Inter-island trade, but in the communication between America and the Islands. The first policy of the government was to prevent Americans from engaging in that trade. In this they completely succeeded as there has not been a steamer brought from America, yet nearly all are old ships brought in from other countries and given the American Consular registration. This, however, prohibits them from going to America. There are not enough steamers to do this local business.

In the trans-Pacific trade it is a shame that our passengers and mails should be peddled through the Japanese and Chinese ports and finally get to Manila, taking over a month; whereas, if we had a direct line, the trip could be done in sixteen or seventeen days. If the government would give all its business to a line of steamers, this could be accomplished without costing the country one cent; and in addition the government would save money.

This address was delivered on board of the steamship "Mongolia," the night before arriving in San Francisco.

REPORT OF ROBERT DOLLAR AFTER HIS RETURN
TO SAN FRANCISCO

To the Associated Chambers of Commerce of the Pacific Coast:

Gentlemen:

Subject—Your invitation to Chinese Chambers of Commerce to send representatives to visit our country.

I have the honor to report that before I arrived in Shanghai the revolution had broken out and there was such commotion and excitement that I saw it was useless to formally present your invitation. However, I got the leading men of the various Chambers together and privately discussed the subject, and it was decided that I should not present the invitation until a more opportune time. So I waited until the Emperor had abdicated, when I invited the members to a banquet at the Palace Hotel in Shanghai, which was well attended, and at which I formally presented your invitation.

"To the Associated Chambers of Commerce of China:

"The Associated Chambers of Commerce of the Pacific Coast, at a meeting held today decided unanimously to extend a cordial invitation to The Consolidated Chambers of Commerce of China, to send a delegation of fifty to the United States, to arrive in San Francisco on or about March 29, 1912.

"It affords us great pleasure to notify you of this action, and to say that it will gratify the business men of this country to be able to extend our hospitality, also remembering the kindness and courtesy conferred by you upon our delegation that visited China in 1910.

"We are aware that much good will come from the proposed visit of your representative delegation, for China and the United States have ties of friendship and great interests which both countries desire to promote. Our delegation gained much information in China and the knowledge then acquired cannot but prove beneficial to your country.

"We assure you that your delegation will see much of the United States, and it will be our purpose to arrange the itinerary in all its details, so that each and all of our industries



WANG SHENG PING

**President Tientsin Chamber of Commerce and Owner of
large Coal Mine Interests—One of the Most
Progressive Men in China**

shall open their doors freely and gladly. Our men of affairs and business will, to the fullest extent of their ability, strive to make the time you spend in this country both pleasant and profitable.

“THE ASSOCIATED CHAMBERS OF COMMERCE OF THE
“PACIFIC COAST.

“H. M. HALLER, President

“C. W. BURKS, Secretary,

“San Francisco, October 3, 1911.”

They said they would accept it in a formal manner the next day, which they did in the following words:

“To the Associated Chambers of Commerce of the Pacific Coast of the United States of America:

“The United Chambers of Commerce of China—

“At a meeting held on 24th of February, 1912, unanimously decided to thank the Associated Chambers of Commerce of the Pacific Coast for the courtesies and generous invitation extended to them to send a delegation of fifty members to visit the cities represented by the Associated Chambers. The United Chambers, after the most careful consideration, unanimously decided to accept the invitation, but regretted that on account of the present situation in China it would be impossible to pay their visit to the United States on the date suggested by the Associated Chambers, and therefore, respectfully ask that the question of the date may be held over for the present.

“It affords us the greatest pleasure to convey to you the acceptance by the United Chambers of your very highly appreciated invitation, and it is with sincere regret that we ask you to let the matter of date stand for the present.

“Arising out of the political changes of the past few months there are grave financial and commercial questions of a national character to be considered and many of those who would otherwise participate in the visit which you have so kindly proposed will be engaged for some little time in the settlement of these issues. Without the presence of these gentlemen the delegation would not be thoroughly representa-

tive in character, and would be unworthy of your invitation and of the distinguished delegation which the Associated Chambers sent to visit our country in September, 1910.

"We assure you of our very high appreciation of the fraternal invitation of your Associated Chambers, and look forward with the very best anticipations to a visit to your country, under your kindly auspices, at a not remote date.

"THE UNITED CHAMBERS OF COMMERCE OF CHINA.

"CHIEN SHUN FU, President,

"PEI SHUN SHENG, Vice-President,

"CHU LI CHI, Secretary."

All the members of the Chamber of Commerce were very enthusiastic and appreciative. I had a map of the United States and showed them about the route they would take and the cities they would visit, which convinced them that we were not doing things by halves. At this meeting I requested them to say good-bye, but they said they must see me off at the wharf the next day. At this farewell I was destined to get the greatest surprise of my life, as when I arrived the streets were full of people and a regiment of soldiers were lined up along with the members of the Chamber of Commerce and many of the principal merchants of the city.

The General in command presented an address and on behalf of the Chambers of Commerce of China requested me to convey to you their great appreciation for the invitation and especially for the sympathy of our nation in their efforts to get a republican government firmly established. And further, to show you the appreciation with which your invitation was received, at Tientsin the large hall was filled to overflowing and as a mark of respect, the entire audience remained standing all the time I was speaking. A similar reception was received at Hankow, Hong Kong and Canton. I told them at all those meetings that I could not accept the great receptions and courtesies as being for myself, but that I would accept them as being on behalf of the nation that I had the honor to represent. No nation could be more friendly to us than China is at the present time and I take this opportunity of urging our merchants to take advantage of the golden opportunity presented to us by New China. I use

the name advisedly, as in a very few years we will assuredly have a new China that will surprise the world.

I consider the republic to be firmly established and at the head of affairs are the very best and most progressive men of the nation. They are rapidly bringing order of chaos. But we must remember that the establishment of a government for nearly one-quarter of the human race cannot be brought about in a day. In fact, I give them two years or more to do it.

To appreciate and understand the gigantic task they have undertaken it is only necessary to say that they are starting entirely anew. All old customs and ways of doing things have been abolished. They even went so far as to attempt to remove the capital and build a brand new one at Nanking. In view of these facts, I hope I have made it plain to you that they require our sympathy and assistance in this their hour of need, which if given, will never be forgotten. I would also call your attention to the men who are building up this infant republic. Nearly all of them are American college graduates who thoroughly understand and are in full sympathy with our customs and government after which they are patterning their new republic. The life of Washington has been published in Chinese and sold as fast as it comes from the press. I met many old men who could not speak a word of English but who were quite familiar with the life of Washington and what he did to establish our republic, a duplicate of which they are determined to get for China.

In view of this, I would strongly urge every one of you to endeavor to induce our government to take the initiative in recognizing the new republic, and not only that, but to give them all the moral support and assistance in your power, to this, the oldest and newest of the nations.

Most respectfully submitted,

ROBERT DOLLAR.

ADDRESS DELIVERED BEFORE THE MEN'S CLUB,
SAN RAFAEL, CALIFORNIA, APRIL 12, 1912,

BY ROBERT DOLLAR

CHINA IN REVOLUTION AND A WORD FOR THE PHILIPPINES

A GREAT deal of lack of information exists in reference to China. People who are well informed otherwise, are ignorant of conditions and even of the geography of China. A few years ago in addressing a meeting in Seattle, I told of an occurrence which had happened at Hankow. I was an invited guest of the Chamber of Commerce of Hankow, and in the course of an address I recommended strongly that a deputation should be sent to Seattle to visit the Yukon Fair. After the meeting was over, a gentleman who was president of the Taching Bank asked me where Seattle was. This caused the Seattle gentlemen to laugh, and I said to them, the president of this bank came from a city directly across the river from Hankow and I asked the gentlemen in the audience who knew the name of that city to hold up their hands, that it was a city of 750,000 people, capital of Hupeh Province and was a walled city of great importance. There was not a person in the audience that knew the name of the city. I told them I did this on purpose to call their attention to the importance of getting better acquainted with China. The city has become famous as being the center from which the revolution started: namely, Wuchang.

To give an idea of the tremendous impulse that the revolution gained, I visited Hangchau a month after it started, and while there I learned from the General in command of the revolutionary troops that he had three months' stores in warehouses that had been free-will offerings from the farmers and people in the country, which they called "thank offerings." The same conditions prevail throughout China, from the extreme south to the Yangtse river.

Canton was especially active and sent a great many soldiers to the front. I do not know the number, but I noticed steamer after steamer going to the north with full loads of soldiers from Canton.

At Shanghai I happened to be in the city when it was captured. I was awakened in the morning by the discharge of cannon about half a mile off. The capture was accomplished during the day, and the arsenal, stores and some warships fell into the hands of the revolutionists. Four hundred American marines were landed and marched through the city, but it was not necessary, as no violence whatever was offered to any Europeans.

A short time after, the members of the revolutionary government gave a reception in the temple called "The Queen of Heaven" and received the leading merchants of Shanghai. I had never seen such a large crowd in all my experience. It blocked the streets in all directions from this temple. In fact, it was only with the greatest difficulty that we could get through the crowd, to get in. There, we met Sun Yat Sen, the President, and the different members of his cabinet.

The capital was opened in Nanking. This was the old capital many years ago. Nanking is a very large city, the wall around it being about twenty-five miles.

I again visited the cabinet there in the Viceroy yamen, which was used as a government house. Since leaving there, however, the government has been moved to Peking in consolidation with Yuen Shai Kai's party. In meeting the members of the cabinet, I was very much impressed with this fact—that out of eight members, six of them had received American education; and therefore had imbibed American ideas, so that the government was really more American than Chinese; and also by their earnest, sober and sincere manners.

I visited Hankow immediately after hostilities had ended, but evidence of the trouble was plainly to be seen on all sides. On the corners of the streets many rapid firing guns were still in place surrounded by miniature fortresses of sand bags.

In Hanyang, where the great struggle took place, I was much interested on account of the Hanyang Iron Works being there, whence we get all our pig iron. A high hill arises back of the works and the arsenal. This was strongly fortified by the revolutionists and it was a very commanding position. Evidence of the work of the shells was to be seen in all directions, many houses having been struck by stray shots in the foreign concessions, but the lives and property of the

foreigners were respected in a manner never before shown during a revolution. The Imperialists found it necessary to burn down the old Chinese city, by which 500,000 people were rendered homeless. I walked all over the ruins, which reminded me very forcibly of the conditions in San Francisco immediately after the fire. The half a million people were also living in shacks and tents on the outskirts of the city.

The hospitals were incapable of accommodating all the wounded, and the Red Cross took two of the largest buildings in the city to accommodate the wounded. The Mother Superior of a nunnery moved all the inmates and gave it over for the use of the wounded, and told me that one afternoon over four hundred were carried in there. The bravery of the soldiers has never been exceeded in any war. In fact, they went to the extremes of foolhardiness. The number of killed was very great. No count can be obtained, but it was between fifteen thousand and twenty thousand.

Admiral Sah's navy revolted and he had to give up all his ships which were in the Yangtse river. He refused, however, to join the revolution and left his command. He has since been appointed by the republicans as Minister of the Navy. He is a fine man and they appreciate his honorable conduct by appointing him to this position.

General Li is also a very fine man, educated in one of our universities and a power for good in all of the events around Hankow. He has now been appointed Vice-President of the new republic, an honor which he well deserves.

At Peking, where I went to interview our Ambassador, I arrived at an inopportune time, as a bomb had been thrown at Yuen Shai Kai a few days before and the city was an armed camp.

I was pleased to learn that America's diplomacy stood at the head of the list among the foreign Embassys and our Ambassador and the British Ambassador were working in close concert and had a complete understanding, which was doing a great deal to steady affairs there.

I visited the Wai Wu Pu or Foreign Office while there, which was really at the time a fortification, as Yuen Shai Kai had made it his residence and no foreigner was allowed in except under escort from the Embassy. Mr. Williams,

the Secretary, accompanied me. I had a very pleasant interview with the Foreign Minister, whom I had previously met. I declined the invitation to see Yuen Shai Kai, as I knew he was in great trouble at the time.

The bombs were thrown by a class of students called "The Dare to Dies." They did not value their lives at all. In fact, decided definitely to die in what they were undertaking. It was said while I was in Peking, and I did not see it contradicted, that the person who threw the bomb at Yuen Shai Kai received \$40,000 for the job from one of the Manchu Princes in the Forbidden City. It is a fact that Yuen never returned to the Forbidden City after that day, so it looks as though there might be some truth in it.

In Tientsin part of a regiment of American troops was stationed. They, along with the troops from foreign nations, made quite an army.

The bomb throwers had started a factory for the manufacture of bombs, and though the town had been searched everywhere for this factory, it was undiscovered until an explosion in it occurred, when it turned out to be quite close to our lumber yard.

The Chamber of Commerce gave me a reception at which the leading merchants were present, their large hall being full to overflowing. When speaking there, the entire audience remained standing, which was a mark of respect to our country which I had never seen before. The hall was beautifully decorated, American flags predominating.

A party of thirty-two students were arrested by the French authorities, and while they could not convict them of any crime, they found bombs in their possession. They deported them to Shanghai on the same steamer on which I returned. I had an opportunity of talking with them and found they were all well educated young men, but thought they were doing their country a service and had sworn to die in the attempt.

As to whether they now have a stable government or not, would say I believe they have, but it must be borne in mind that they have abandoned all of their old forms of government and have started entirely anew on a government patterned after our own. The importance of the work they have

undertaken will appear when you think that one-quarter of the human race are changing their form of government. It will take some time for them to get everything running in smooth, working order. I say at least two years time will be necessary, but when we come to think of the great changes that have taken place in the last ten years, it looks as though they could accomplish almost anything. Eleven years ago, an edict was in existence to kill all foreigners and all Chinese Christians. Now, the majority of the men at the head of the government are Christians.

In education, the old system has been abandoned and our Western style of education has been established. The only thing holding them back is want of teachers. A constitutional form of government has been established in place of the old absolute monarchy. Railroads have been built all over the country in a way that the most sanguine could never have thought of. Post offices and telegraph offices can be found all over the country. In about a month's time, the queues of seventy-five per cent of the entire inhabitants had been cut off. The growing of opium has been entirely abandoned, and feet binding is prohibited by law.

Newspapers are to be found now in every city. Only a few years ago there was just one Chinese paper published, the "Peking Gazette," which is by all odds the oldest newspaper in the world. This publishes the official laws and orders.

As to the business of the country, during the time of the revolution it was paralyzed and to a very great extent stopped. It has gradually been recovering, however, and now a fair amount is being done. As to the future, the increase in business will surprise the world in a very few years.

In mining, practically nothing has been done, though some of the richest coal and iron mines are to be found in the Yangtse Valley, and I predict in years to come this valley will be the greatest producer of steel in the world. In manufacturing, some little start has been made and no doubt this will progress very rapidly under the new government, as they are manufacturing cheaper than any other country in the world.

As to the personality of the new government, Yuen Shai Kai, who is President, is the strongest man in China today.

He is ably backed by Tang Shoi Yei who is always considered to be the brains of the government. Knowing him, personally, I can vouch for his being one of the strongest and best men I know of in any country. Three other members of the cabinet, I know personally, have been educated in this country, so that the majority of the members of the new government have been educated in America and have American ideas. The importance of this will be seen when I state that China has patterned her government after our own. They have already declared for religious freedom and freedom of worship for all sects, and they have adopted our calendar. They consider, and I think rightly so, that America is the best friend they have of all the nations, and the opportunity and prospects for Americans to advance the commercial relations between the two nations could not be better, and if we do not take the lead in commercial relations of China it is because we do not take advantage of the opportunity that is presented to us.

And last, I would ask for China that our government recognize the new republic. It is a hard pill to swallow for European nations governed by kings to recognize this republic, but it is quite in order. In fact, it is our duty and our privilege to promptly recognize them, and all other nations will immediately fall in line.

On the trip to the Philippine Islands, I had an opportunity of seeing the entire Archipelago as very few men have had. The government placed at my disposal one of the coast guard gunboats with the privilege of visiting any and all places in the Islands, so I got a more comprehensive knowledge of the Islands that I had had before. What I saw on this trip would take a whole evening to explain. Suffice to say that the new government is run on business principles, and as a result the Philippine Islands are the only bright commercial spot in the whole of the Orient today. The improvement in recent years has been very great, so much so that the last two years' trade and commerce has doubled.

What I said of China, I can also repeat of the Islands. Our people in this country do not understand or appreciate them. They appear indifferent about them, whereas, if people knew the true conditions it would be changed to that of intense interest. One way of bringing us closer together

would be a fast line of steamers running from San Francisco to Manila. Except once a month, it takes about thirty-five days to make the trip by way of Japan and China. Once a month only a steamer goes direct from Nagasaki to Manila. This is brought about by the sad neglect of our government toward the Merchant Marine; in fact, its total annihilation from the face of the ocean, so that we have to put up with any service we can get for our letters to different foreign countries.

Labor is a great drawback to the Islands. Not that there is not enough there, but that they will not work, and when they do work, the results are not satisfactory. If a limited number of Chinese were allowed to go as laborers into those Islands, we would have one of the richest countries in the world.

The principal productions are hemp, copra, and sugar. Copra alone advanced from 14,000 tons a few years ago to 115,000 tons last year. The production of sugar since the tariff was reduced has also increased very fast.

You hear a great deal of talk of independence. I have come definitely to the conclusion that the people are not fit for independence and will not be so for many years to come, and the sooner our government gives up the idea and plainly tells the natives this fact, the better it will be for all concerned. The Moros are the most powerful tribe on the Islands and they have notified our government that the day the Filipinos get their independence, that day they will start a war for their extermination. Summing up the situation, which is encouraging and on behalf of the men who are devoting their time to develop those Islands politically as well as commercially, I ask your favorable consideration and assistance.

CONCLUSION

San Francisco, May, 1912.

CHINA

In summing up and putting in short terse words what I learned by close observation and by intercourse with the merchants and those who are now building up, politically, the new republic, I find that it taxes my imagination to the utmost, looking from this distance at the past and thinking of the future, to arrive at a reasonable conclusion.

First, to consider the almost incredible change that the revolution has brought about. The old conservative and stoical China changed, as if by magic, in the short space of four months to a new, progressive republic. In fact, to one that is endeavoring to be the most progressive of all the republics of the world, not only politically, but in manners and customs as well: Notably the cutting of queues and the changing of dress, that have been in use for a thousand years; the insertion in their constitution of a clause allowing religious freedom, when only eleven years ago the Empress Dowager issued her decree that all Christians should be put to death, which resulted in the Boxer uprising and massacre of both Chinese and White Christians.

The Empire being without railroads, the telegraph or telephones, and practically without roads worthy of the name, as only paths were used, and in the level country where the soil is deep these paths were several feet below the surface, and in wet weather were converted into creeks. In some places, it is quite common to see just the heads of the travelers from the level of the land.

All towns and cities are enclosed with stone or brick walls from thirty to fifty feet high. These are being demolished and wide roads or boulevards are taking their place.

The old form of education for the favored few has been abolished and replaced by the modern American style of public grammar and high schools with colleges and universities

to come later. Girls are being educated by the thousand and women now have equal suffrage, requiring only educational and property qualification the same as the men.

The increase in the volume of business in the post office greater than has ever been recorded in any other country, newspapers were unknown a few years ago; now their circulation is over 100,000,000 a year. Practically, the same relative change has taken place in social and religious conditions, that I could go on indefinitely contrasting the past with the present.

WHAT OF THE FUTURE?

To write of the future is almost equal to prophesying. I have explained a few of the rapid and radical changes that have taken place in the six short years just passed; but, I must say, when I try to think of the future, I get completely lost, so I will leave prophesying and speculation alone and deal in facts that cannot well be gainsaid.

First and most prominent stands out the fact that they have a population about one-quarter of the human race. It is also a fact that their people are the most industrious, plodding hard-working workers of the world.

Second, the fertility of the soil in China is the wonder and admiration of all strangers, and it must be, as a large part of China is not under cultivation and that which is under cultivation produces sufficient for between four hundred millions and five hundred millions of people—this tells the story. So far, they only raised what is actually required for each locality, as the want of roads and railroads has prevented their shipping any surplus to the outside world. The advent of roads and railroads will change conditions entirely, and farmers will learn to raise what will produce the most money.

We now see the result of this in the great sales of *soy beans* and *sesimum seed*, the former coming to market over the Manchurian railroads, and the latter coming to Hankow over the Pei Han railroad. The production of both of these commodities is increasing by leaps and bounds. *Cotton* also being raised in large quantities, the exports being 76,500 tons last year. Many cotton mills are also in operation a

consume large quantities of the raw material. The soil is adapted to growing this commodity, and with cheap labor and an almost unlimited home consumption, this industry will grow until it exceeds the production of all other nations.

MINERALS

It is in this that China excels all others, as no mining of any extent has been done yet and all the minerals that China ever had still remain in the ground.

Coal—A German professor, after a careful examination, reported there was more coal in China than in all the rest of the world put together. This aroused such criticism and interest, that the Emperor of Germany sent three of his most celebrated experts who confirmed the report; and yet, so little mining has been done, that last year one and a half million tons were imported.

Iron Ore deposits are known to be in all the provinces and where it has been worked, it is of a very high grade.

Limestone is in abundance in the same vicinity, so the three great ingredients for making steel are side by side, and they are close to navigable waters where the largest steamships can go. The history of modern nations has taught us that wherever all those conditions exist, especially when coupled with an abundance of good and cheap labor, the future commercial prosperity and greatness is assured; and as to conditions being as stated, there is absolutely no question, so that in time to come we must look forward to China being the greatest steel producing country in the world; and petroleum is found in many places, but not developed.

In a short time railroads will be extended to all the principal cities of China, crossing the country in every direction. The Yangtse river is navigable for the largest steamships eight months in the year to Hankow, proudly dubbed "The Chicago of China," 700 miles from the ocean and in the geographical center of the country; so, with the completion of the railroads, means of communication will not be excelled in any country, and trade and commerce is sure to increase beyond the sanguine expectations of the most optimistic.

It is an undisputed fact that the Chinese are more friendly to America than to any other country. I cannot too often nor too strongly urge our merchants to take advantage of the great opportunities presented to us of obtaining our share of the trade which will be the result of China's prosperity. Their ambition and determination is to become a great commercial nation. Even if my ideas were discounted fifty per cent, what an opportunity still remains! To use the words of Longfellow, "Let us then be up and doing."

POLITICAL

A great many people in this country, but more particularly in countries ruled by emperors and kings, are of the opinion that the republic has not come to stay. Had they the opportunity I have had of seeing the fourteen provinces rise as one man and declare for a republic, they would be convinced that the republic has come to stay. I was formerly in favor of a limited monarchy, but it would have been as easy to stop the incoming tide as to have prevented the establishment of a republican form of government. They have selected the very best men of the Empire to form the new government. Men of great ability who impressed me as being sober, in dead earnest and capable of carrying the necessary responsibilities of this undertaking.

If foreign nations keep their hands off and do not intrigue, there can be no question nor doubt but that the new republic will be permanent; but, as "Rome was not built in a day," the new government must be given sufficient time to accomplish the gigantic task, that no set of men has ever before attempted in the history of the world. Give them a good opportunity of showing what they can do, and I am sure you will not be disappointed. All I ask, is, suspend judgment for at least three years.

We must urge the United States to recognize the new republic. We should be the first to take such a step, as we are the greatest republic, and we surely should be the first to extend to a sister republic, the right hand of fellowship in her hour of need. Our moral support is certainly due to China in her struggle to get on her feet, as she cannot expect sympathy or assistance from a nation whose head is an emperor or a king.

PHILIPPINE ISLANDS

Little is known in the United States of our insular possessions. They are much abused and misunderstood, and those who talk the loudest against them, know the least about them. The islands have been very useful as a ball for politicians to play with.

Three matters stand out very prominently before me in my investigations.

First—The great richness and fertility of the soil.

Second—That it will be impracticable for the United States to give them independence for many years to come.

Third—That there is a great scarcity of labor. Not that there are not enough men, but that the men will not work. This is holding the islands back very much and is a serious handicap. There is no valid argument against allowing a reasonable number of Chinese laborers to enter the islands for the purpose of developing the resources, subject, of course, to limitations and restrictions. If this were done and sufficient capital available, the prosperity that would result would be a surprise to our country.

What is wanted most is a direct means of communication from San Francisco to Manila so that our people could more readily visit and get acquainted with the people and conditions. Americans are invited and will be shown the present conditions and the possibilities—not to visit Manila alone, but to make a trip to the principal islands of the group and see their resources and possibilities. This trip, if taken at the proper season, would be both profitable and pleasant and I would strongly recommend the Associated Chambers of Commerce of the Pacific Coast to get up an excursion of our prominent commercial men.

I take this opportunity of thanking Governor Forbes, the members of the insular government, the Merchants Association, and the commercial community in general, for the great kindness and courtesies I received at their hands during my recent visit.

The government has made wonderful improvements in roads, sanitation, railroads, etc., but especially in improving harbors and aids to navigation. I cannot speak too highly of

what they have accomplished, but what they have done has not been followed up by individuals. Lack of labor, capital, and want of interest of our people in this country have not kept up with the energy and efforts of the government to develop the resources of the islands.

The Philippine government recognizes this, as it now has an able representative in the United States, who is endeavoring to educate our people to the importance of what a remarkable island empire we have. I trust his efforts will bring the desired results.

JAPAN

The yellow press of the United States, ably backed by the same class of papers in Japan, manage to get up a war scare about twice a year. The latest was the reported purchase by Japan of a large tract of land at Magdalena Bay, Mexico, to be used for a coaling station. The well-thinking people of both nations should do their best to stop this unnecessary agitation. The truth of the matter is, Japan does not want a war with us, and we want to live in peace and harmony with them. On the other hand, we can say to Japan that the United States has no desire for a war with them. Furthermore, we are totally unprepared for such a contingency.

The visit of our commercial commissioners and the return visit of the Japanese commissioners, headed by the "Grand Old Man of Japan," Baron Shibisawa, did a great deal to increase the friendly relations between the two countries, and those of us who had the opportunity of frequent visits to Japan can assure our people of the continued friendship and good will of Japan that is apparent on all hands. Our commercial relations are satisfactory and good, and our trade is increasing, so there is every reason why the good feeling and friendly relations that so happily exist, should continue for all time to come. That this is the sentiment and earnest wish of the great majority of the people, both in the United States and Japan, is an assured fact, and our hope and wish is that the ties of friendship will be drawn closer than ever and that the peace and prosperity of each nation shall continue.

